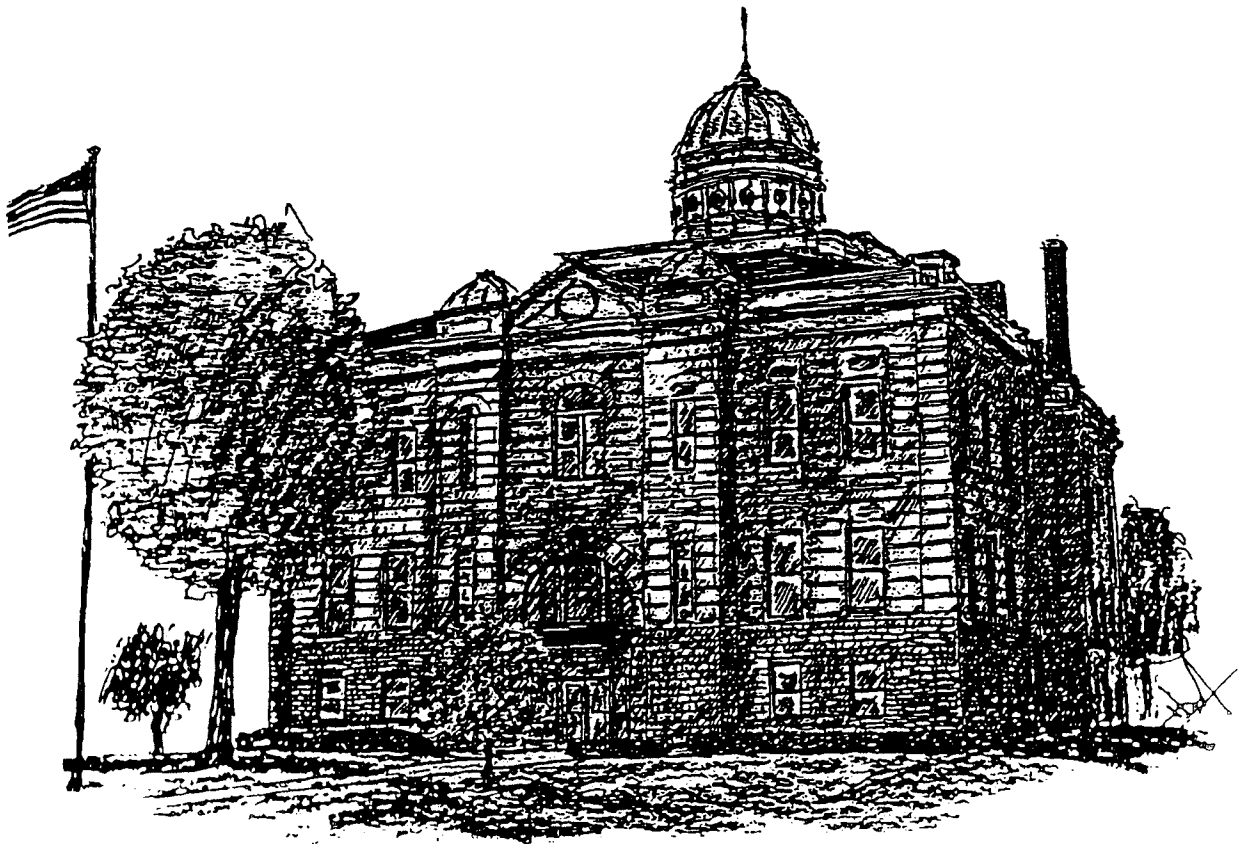


***MENARD COUNTY, ILLINOIS***

***ANNUAL FINANCIAL REPORT  
AND INDEPENDENT AUDITOR'S REPORTS***

***YEAR ENDED NOVEMBER 30, 2011***



**MENARD COUNTY, ILLINOIS**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED NOVEMBER 30, 2011**

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## **INDEPENDENT AUDITOR'S REPORTS**

**MJF**  
**Michael J. Feriozzi, CPA**

**INDEPENDENT AUDITOR'S REPORT**

To the Chairman and other County Commissioners  
Menard County, Illinois

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Menard County as of and for the year ended November 30, 2011, which collectively comprise Menard County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Menard County's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

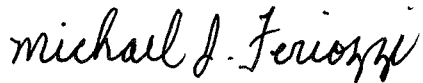
In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Menard County as of November 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated August 17, 2012 on my consideration of Menard County's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The *management's discussion and analysis* on pages I through XVIII, and the *budgetary comparison information, schedules of employer contributions, and schedules of funding progress* on pages 37 through 56 are not required parts of the basic financial statements but are *supplementary information* required by accounting principles generally accepted in the United States of America. I have applied

certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the *required supplementary information*. However I did not audit the information and express no opinion on it. In addition, the financial data and information included in notes 9 and 11 to the basic financial statements, pages 29 through 33, were not audited by me and I express no opinion on that data and information.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Menard County's *basic financial statements*. The *transmittal letter from the Menard County Treasurer*, the combining nonmajor funds and fiduciary funds financial statements that comprise the *supplementary section* are presented for purposes of additional analysis and are not required parts of the *basic financial statements*. The *combining nonmajor funds and fiduciary funds financial statements* have been subjected to the auditing procedures applied in the audit of the *basic financial statements* and, in my opinion, are fairly stated in all material respects in relation to the *basic financial statements* taken as a whole. The *transmittal letter from the Menard County Treasurer* has not been subjected to the auditing procedures applied in the audit of the *basic financial statements* and, accordingly, I express no opinion on it.



Springfield, Illinois  
August 17, 2012

**MJF**  
**Michael J. Feriozzi, CPA**

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING  
STANDARDS***

To the Chairman and other County Commissioners  
Menard County, Illinois

I have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Menard County as of and for the year ended November 30, 2011, which collectively comprise Menard County's basic financial statements and have issued my report thereon dated August 17, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

In planning and performing my audit, I considered Menard County's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Menard County's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Menard County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a *deficiency* or a *combination of deficiencies in internal control* such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a *deficiency* or *combination of deficiencies in internal control* that is less severe than a *material weakness*, yet important enough to merit attention by those charged with governance.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be *significant deficiencies* or *material weaknesses*. I did identify deficiencies in internal control over financial reporting and the safe guarding of assets by the Menard

County Health Department, a blended component unit of Menard County which I consider, in the aggregate, to be a material weakness, as defined above.

I noted certain other matters that I reported to you in a letter dated August 17, 2012.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Menard County's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreement's, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Menard County Board of Commissioners, the County's management, other within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Michael J. Feriozzi*

Springfield, Illinois  
August 17, 2012



## **TRANSMITTAL LETTER**

**Jacqueline S. Horn**  
**MENARD COUNTY**  
**Treasurer and Collector**  
**P. O. Box 436 Petersburg, Illinois 62675**  
Phone: 217-632-2333 Fax: 217-632-5126  
**Pam Bauser, Chief Deputy Rosanne Snyder, Deputy**

August 17, 2012

To the Chairman of the County Board,  
Members of the Board of Commissioners and  
Citizens of Menard County

Ladies and Gentlemen:

As Treasurer of Menard County, I am pleased to present the County's annual financial report for the fiscal year ended November 30, 2011. The financial statements included in this report conform to Generally Accepted Accounting Principles in the United States (GAAP) as established by the Governmental Accounting Standards Board (GASB).

The annual financial report was prepared with an emphasis on full disclosure of the financial activities of the County. Responsibility for the completeness and the reliability of the content rests with County management. To provide a reasonable basis for making these representations, management of the County strives constantly to maintain a comprehensive set of internal controls, designed to ensure the assets of the County are protected from loss, theft or misuse. These controls also ensure that adequate accounting data is recorded to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the County's internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. The data presented in this report is believed to be complete and reliable in all material respects and is reported in a manner that presents fairly the financial position and results of operations as measured by the financial activity of the County's various funds. All statements and disclosures necessary for the reader to obtain an understanding of the County's financial activities have been included.

As a recipient of Federal and State financial assistance, the County's internal controls must also ensure, as well as document, compliance with applicable laws and regulations related to these programs. Management periodically evaluates the effectiveness of the County's internal controls.

Michael J. Feriozzi, certified public accountant, provided the independent audit of Menard County's financial statements. The goal of the independent audit is to provide reasonable assurance the financial statements of the County for the fiscal years ended November 30, 2011, are free of material misstatement. The audit included consideration of our internal control over financial reporting as a basis for designing auditing procedures and involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used, and the County's compliance with applicable laws and regulations. Our independent auditor did note a material weakness in internal control over financial reporting and the safe guarding of assets for the Menard County Health Department, one of our component units. In addition he has reminded us to increase our organizational emphasis on monitoring delays in the

collection of our accounts receivable for health services provided by the Menard County Health Department; our emergency management services; and Sunny Acres Nursing Home.

No violations of laws or regulations or provisions of contracts and grant agreements pertaining to financial operations and reporting were noted. The independent auditor's reports are presented with the basic financial statements.

This annual financial report includes a narrative introduction from management in the form of Management's Discussion and Analysis (MD&A) that provides an overview and analysis to accompany the basic financial statements. This letter of transmittal is designed to compliment the MD&A and should be read in conjunction with it.

## PROFILE OF MENARD COUNTY

Menard County was established in the winter of 1839 by action of the Illinois State Legislature, being one of three counties split off from Sangamon County. At the time, Abraham Lincoln was a Representative to the State Legislature and Chairman of the Committee on Counties. The bill to separate Menard from Sangamon was written and presented by Lincoln on January 16, 1839 and passed the legislature on February 15, 1839. The action defined the boundaries of Menard County and provided for an election on the first Monday in April 1839 to elect public officials and three county commissioners. Over one hundred sixty years later, on November 7, 2000 the voters passed the proposition to be represented by five commissioners elected from single member districts.

Menard County is located slightly west of the center of the state and contains approximately 314 square miles. Petersburg, the county seat, is about 20 miles northwest of Springfield. Early inhabitants from Southern states and European immigrants came to Menard County to farm. The county continues to be known for its rural character, with a nine percent increase over the last five years in total acres farmed. The National Agricultural Statistics Service updates their census data every five years. The next census survey will be conducted early in 2013 and will indicate any major change in the number of farms or average farm size. Annually, the Illinois Society of Professional Farm Managers and Rural Appraisers provides the Illinois Farmland Values and Lease Trends. Their 2012 report indicates farm sales in 2011 for Menard County ground with excellent productivity sold for an average of \$8,300 per acre, up from the 2010 sale of \$7,000 per acre.

Menard County is non-home rule and governed by the Illinois County Code, Chapter 55 ILCS 5/1-1001, et. seq., and related acts. Menard County's government consists of thirteen departments, six elected officials, the judiciary, and a five member County Board elected from single member districts. The board is responsible for establishing policies and authorizing resolutions for the administration of the County; hiring and supervision of the department heads; appointing committees for the benefit of county taxpayers and residents; and approving the annual budget and tax levy within the county organization.

Illinois has more taxing districts than any other state. In Menard County there are forty-six (46) taxing districts. The County Treasurer collects taxes for all these districts. The County Board is responsible for appointing the board members of special districts like the fire districts, rescue squad, and cemetery districts. Special districts are not part of county government as they set their own budgets and tax levies.

## SERVICES PROVIDED

Menard County provides a full range of services including law enforcement, construction and maintenance of county roads and bridges, property assessment and collection of taxes, official records, voter registration, elections, document recordings, maintaining vital records, comprehensive planning and growth management, a court system and related support functions, public health and home health services, animal control, emergency disaster planning and response, employment and training, senior transport, emergency public relief, and emergency medical services. The administrative functions to support all of these services comprise our *Governmental Activities*.

In addition to the above general government activities, the County owns and operates a skilled care nursing home. Sunny Acres accepts private pay, Medicaid, and Medicare patients. When beds are available, they are able to offer Respite and Daycare services. Countryside Estates, situated next door to Sunny Acres, opened in 2000 and is an independent living facility. These two proprietary operations comprise the *Business Activities* of the county.

The financial reporting entity includes all funds of *Governmental* and *Business-type Activities* as well as the Component units for which the County is financially accountable. The Menard County Emergency Telephone System (ETSB) 911 is included in the County's basic financial statements as a "discretely" presented Component unit. The fund for Emergency 911 appears in a separate column in the government-wide financial statements to emphasize that it is legally separate from the County and to differentiate its financial position and results of operation from that of the County. A separate board, appointed by the County Commissioners, administers this Component unit. Another Component unit is the Menard County Health Department. They are also included in the County's basic financial statements but presented as a "blended" Component unit. This means that the account balances and transactions of the Health Department are included with the County's because the Health Department is fiscally dependent on the County.

## ECONOMIC AND DEMOGRAPHIC INFORMATION

According to 2010 U.S. Census Bureau statistics, Menard County's population is 12,705. This represents a 1.8% increase over the 2000 census. Statewide, the population has increased by 3.3%.

Menard County, which includes the nursing home and independent living facility, is the county's largest employer. Most county residents commute to Springfield for employment. The County's annual unemployment rate for 2011 averaged 7.5%, down from 7.9% the previous year. This was positive information since a local corporate owned nursing home closed its doors early in 2011. Statewide the unemployment rate was 9.8% in 2011 and 10.3% in 2010. Menard County is included in the Local Workforce Area 20 (LWA 20) which includes Cass, Logan, Christian, and Sangamon Counties. The unemployment rate for LWA 20 was 8.0% in 2011 and 8.4% in 2010. Data from the Illinois Workforce Information Center indicates an 8.6% unemployment rate for Menard County in February 2012, the same as February 2011.

Countywide sales tax revenue from retail business increased 6.96% from 2010 to 2011, up from the previous year comparison of a 3.72% increase. Public safety sales tax revenue increased 7.38%. The county's share of income tax increased 5.46% from the 2010 collections. This increase follows two years of decreasing income tax revenues but is fifteen percent (15%) less than our local share in 2008. The State of Illinois is regularly behind schedule in remitting income tax to local governments. As of mid August 2012, the State owes Menard County for two (2) months of income tax revenue, or \$104,193.55.

In the past, the State of Illinois reimbursed a portion of salaries for several county officials per Illinois State Statute. As a result of the State's financial woes, the County was informed that the reimbursements would be reduced. During the year, the County reduced the accrual for reimbursements accordingly. However, the salary reimbursements for the State's Attorney, Supervisor of Assessments, Public Defender, and Probation officers have been paid slowly but funded at the appropriate levels per statute. At the end of the State's fiscal year, June 30, the County was waiting for \$12,605. These payments have relieved some stress at the present time but I have been told by a representative from the State Treasurer's office to anticipate all salary reimbursements going away in the future.

Other county departments depending on payments from the State of Illinois are Sunny Acres Nursing Home, Emergency Medical Services, Senior Transport, and the Health and Highway Departments. The county has been preparing for shortfalls the last eight (8) years, but there are no guarantees as to when the State of Illinois will have its financial affairs in order. Currently Medicaid payments to the nursing home, EMS and health department for services provided are taking six to twelve months.

## MAJOR INITIATIVES

The County Zoning officer, Steve Duncan, reported an increase in new home construction permits with twenty-one (21) permits being issued in 2011. Only five (5) new home permits were issued in 2010. A decade-high of forty-seven (47) new home permits were issued in 2004. The County issued one hundred thirty-three (133) total building permits in 2011, while one hundred thirty-eight (138) were issued in 2010.

Menard County EMS purchased a used, 2000 E-450 Ford/Medtec Ambulance in November 2011 for \$30,000. The unit was purchased through the Alexis Fire Equipment Company and had around 28,900 miles on it. This vehicle replaced a 2000 Ford ambulance with high mileage which was sold for the highest bid.

Medicaid reimbursements from the State of Illinois continue to be slow and a concern for the agency. Ambulance calls and non-emergency wheelchair van transports were down slightly in 2011, compared to 2010. This can partially be attributed to the closing of Menard Convalescent Center in Petersburg.

At year-end 2011, the full-time staff was comprised of twelve paramedics, including the EMS chief; one intermediate-level EMT; one basic-level EMT/medical van driver; and a billing clerk, as well as a part-time administrative assistant and financial officer. Several personnel participated in required and/or special training throughout the year. There are several paramedics among the part-time/on-call staff.

Menard County EMS continued to provide standby service at PORTA and Athens High School home football games and other special events (motorcycle races, etc.) at the Menard County Fairgrounds, charging a fee for the service.

The tornado that crossed through Menard County early in 2011 caused exterior damage at both Sunny Acres Nursing Home and Countryside Estates. As a result, fascia, soffit and insulation were replaced at Sunny Acres and a new roof and siding were needed at Countryside Estates. Fortunately, there were no injuries.

Thanks to a Federally sponsored Grant Program, the 1960 addition to Sunny Acres received new windows. The home was responsible for half of the window cost and installation. The total

project cost was \$125,000. Rooms will be more comfortable for the residents and help save on electric bills for the home.

Sunny Acres has transitioned their Lilac wing to a "Rehab to Home" area. The suites are for those residents who will be receiving skilled care for transition back to their home or to a different area of the nursing home after completion of their therapy/skilled nursing care. The suites will include new laminated flooring, lift recliners, wall mounted televisions and a phone in each room. In addition, the new suites have a new color palette and are especially nice as the wing also has its own entrance and dining room area.

The Nursing Home Industry has been faced with a great financial challenge due to Federal and State budget cuts. The Medicare (federal) program was reduced by over eleven percent (11%). The Medicaid (state) program has been six months behind in paying their bills. A couple years ago the wait was two to three months. Illinois has remained fiftieth (50<sup>th</sup>) in the nation regarding the actual amount of money it pays for Resident care. The horizon does not look too bright either with the proposed cuts going forward. Sunny Acres tries to be cost effective with the vendors they choose and look for other ways to save on cost without compensating the quality of care they provide to the residents that are entrusted to their care. Sunny Acres and Countryside Estates take great pride in their staff and residents.

Menard County was victim of two Declarations of Emergency during fiscal year 2011. The first occurred as a result of the after effects of an EF3 tornado December 31, 2010 at Lake Petersburg and the Tice Road area. The second occurred a month later, the result of a major snowstorm over a four day period. The aftereffect of this storm ultimately was declared a State and Federal emergency.

Menard County Emergency Management Agency (MCEMA) responded immediately to the tornado. Unified Command (between Menard County EMA, Petersburg Fire Department and Menard County Sheriff's office) coordinated the response to the disaster, which included establishing an Incident Command Post at the scene and setting up a temporary shelter. One person was seriously injured after a tree fell on a car, trapping the person inside. Over eighty (80) structures were damaged. Seven homes, a small office building and a machine shed were totally destroyed. The county-owned Sunny Acres Nursing home and Countryside Estates sustained extensive roof damage; however, residents did not have to evacuate.

A blizzard-preparedness meeting was held prior to the extreme-weather event with representatives from all emergency response agencies attending. A partial Emergency Operation Center was established at the Menard County EMS/EMA building during and immediately following the February blizzard, when the county experienced record snowfall.

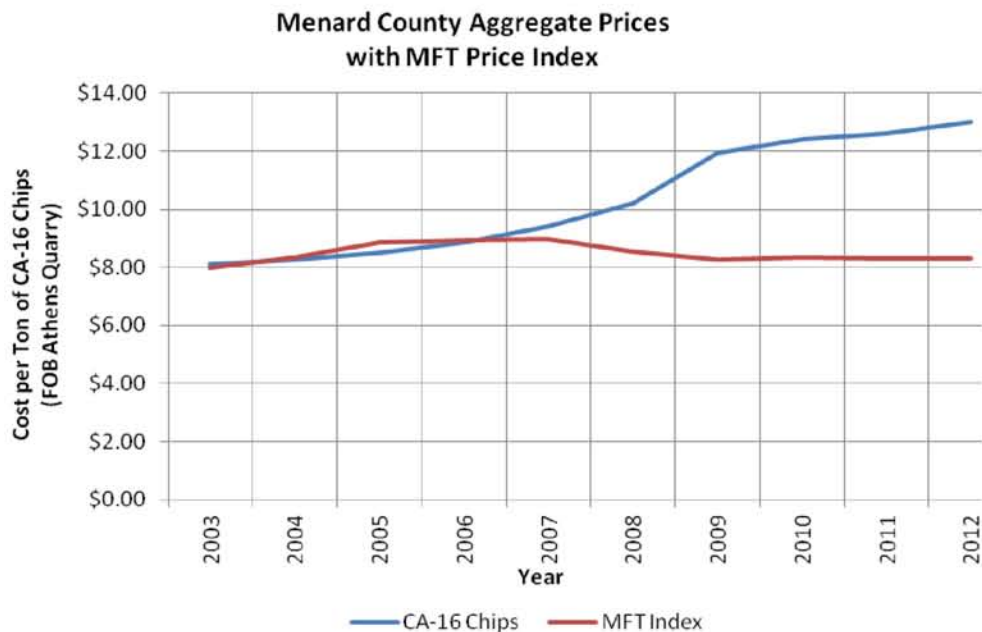
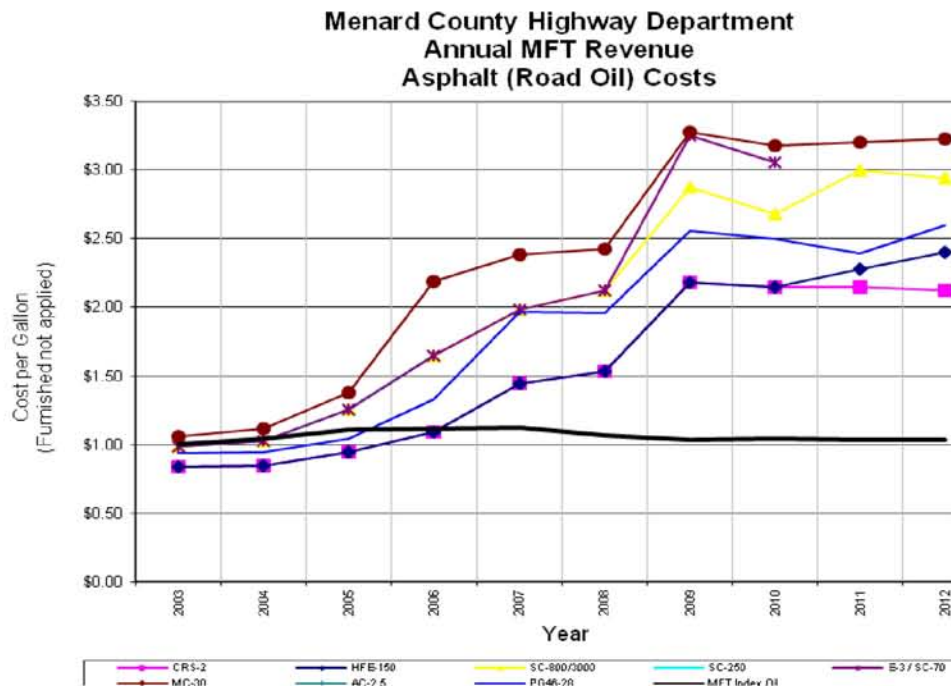
An EF1 and EF0 tornado and a severe thunderstorm kept the MCEMA busy through June. These storms were located around Athens and Sweetwater and resulted in meetings and initial damage assessments.

MCEMA meets on a regular basis with other agency chiefs; develops emergency plans; coordinates quarterly meetings with first responders and emergency response agencies; provides public awareness and educational opportunities; re-enactment and rescue training.

Less than 13 miles of Menard County Highway were chip sealed in 2011. This included all of Gudgel Avenue, Peoria Street north of Sweetwater Avenue, 1.5 miles of Sweetwater Avenue from Engle Street to Ostermeier Street, 0.7 miles of Chautauqua Road and the center 20 feet of Curtis Blacktop Road through Greenview from South Elmwood Street to Illinois Route 29. This work

required 52,959 gallons of road oil and 1,950 tons of chips at a total furnished and applied cost of approximately \$13,500 per mile.

Over the last ten years oil prices have increased by a factor of 2.6 to 3.1 times (2003 to 2012) while current Motor Fuel Tax (MFT) revenue is down to the same level as in 2004, see **Asphalt (Road Oil) Cost**. At the same time aggregate prices have increased by a factor of 1.6 times over the same period, see **Aggregate Prices with MFT Price Index**. Trucking costs have increased as a result of increased fuel costs.



If the gap between available revenue and the cost of materials does not start getting smaller, the county's roads will deteriorate faster than we can afford to maintain them.

Other than in-house routine maintenance, no bituminous overlays or road reconstruction projects took place in 2011.

Reconstruction and widening of the Athens Blacktop Road (CH 2) from just west of the intersection of New Salem Bluff Road to the east end of the bridge over the Sangamon River will begin June 2012. This work also includes reconstruction of the intersection with Chautauqua Road. The road closure is expected to last approximately five months. K. E. Vas Company of Jacksonville, Illinois was the low bidder for the project at a cost of \$1,064,737. Construction funding for this project includes \$557,610 from federal High Risk Rural Road Program (HRRRP) funds, \$405,701 from federal Surface Transportation Rural (STR) funds and \$101,426 from local Federal Aid Matching Fund.

No bridges were replaced in 2011. Engineering and right-of-way acquisition took place in 2011 for the replacement of the first two bridges east of the Union Pacific Railroad on the Middletown Blacktop Avenue. Both bridges are scheduled for a June 2012 State Bid Letting and should be completed in the fall of 2012.

Menard County Community Services administers General Assistance, Senior Transportation and Emergency Relief. These three programs have remained fairly status quo.

Rural Transportation is also a project handled under the Community Services office. Within the last year, Menard County left the proposed Logan, Mason, Menard Rural Transportation system and combined with Sangamon County in order to pursue the delivery of rural transportation within the two counties. This switch was completed in order to provide what is hoped to be a smooth delivery of transportation services. Menard County Senior Transportation has agreed to be a provider and will be able to provide needed transportation to all of Menard County as well as the outer lying areas of Sangamon County including Cantrall, Sherman, Salisbury and Pleasant Plains. Menard County is also in the Springfield Metropolitan Statistical Area, an area used widely for statistics with the U.S. Census and grant funding. That combined with the fact that most of our county residents drive to Springfield for shopping, educational pursuits, medical appointments, etc., makes the most sense when it comes to choosing a delivery system that will work the best for our residents.

The county is in stage three of a three stage primer process. At this point, we are looking at entering into an intergovernmental agreement, selecting an administrative entity and dispatch entity, developing a budget, making policy, plus a myriad of other tasks which need to be undertaken to deliver a brand new system. It is the intent of this transportation system to start small and build over time in order to not overstate our mission and fail in the eyes of the public. We hope that this allows individuals to be self-sufficient, gain educational degrees, find and keep gainful employment and keep tax dollars in Menard County.

## FINANCIAL INFORMATION, MANAGEMENT, AND CONTROL

The Board of Commissioners, by Illinois State Statute, adopts an annual appropriation budget for the County on or around the last day of November. Appropriations represent the maximum expenditures authorized during the fiscal year and they cannot be legally exceeded unless amended by the County Board. Unexpended amounts lapse at fiscal year-end.



The County Board takes a conservative approach toward financial management while continuing to provide good value to our citizens. The county has struggled to retain and restore the General Fund's fund balance when expenditures have been exceeding revenues. The renovation to the courthouse exterior in 2004 required \$605,000 of funding which the county was fortunate to have. The Board is currently faced with major repairs or replacement of the courthouse roof and dome. A preliminary estimate for replacement indicates the cost may be \$1.4 million. Further information is being gathered before any final decisions can be made.

Maintaining the fund balance has been a challenge since 2006 when we started to see the balance moving in a positive direction. Our objective of retaining and restoring the General Fund's fund balance eliminates the need for short-term borrowing, ensures obligations can be met, and provides a cushion against unexpected decreases in revenues and slow payments from the State of Illinois.

The County General Fund has extended a revolving line of credit to the Health Department for many years. The credit line has been used to cover slow payments from Medicare, Medicaid and private pay insurance along with delayed grant payments from the State of Illinois. The established limit had been \$50,000 until the Health Department administration requested an increase to \$100,000 in November 2011.

The agreement between the County of Menard and the Menard County Board of Health and Menard County Health Department states the line of credit is to "help through short-term funding deficits due to unexpected expenses or late payments by the State of Illinois. The line of credit shall not fund operating losses."

During the independent audit process it was determined that the continued reduction in home health volume combined with inadequate billing and collection processes for home health activities have resulted in a substantial loss in the Health Department's liquidity and fund balance levels.

Although an increase in the line of credit has been requested by the Board of Health and its administrator, the County Board has not approved an increase in the \$100,000 limit. The County Board has asked for a plan on how the Health Department was going to address their fiscal situation. They presented options for reducing expenditures that has and appears to be lowering some of the department's overhead costs. The Board of Health presented a plan at the County Board's August 14 meeting outlining a process to reduce even more expenses by eliminating some services. Their goal will be to provide fiscally solvent public health services. Monitoring the Health Department's cash flow issues will continue to be a vital function of both the Board of Health and the County Board for the remainder of 2012 and during 2013.

The General Fund has an original loan to the Emergency Medical Services (EMS) Fund in the amount of \$327,000 which provided start-up costs to allow that department to purchase capital assets and provide operating capital to finance patient accounts and taxes receivable. EMS has paid \$17,000 principal in addition to monthly interest over the last two fiscal years. The County Board has asked for and received a commitment of regular principal and interest payments. The outstanding balance on July 31, 2012 is \$306,603.

The County Commissioners and other management members continue to monitor the financial condition of EMS, including personnel costs, and alternatives for future funding needed to replace our fleet of ambulances. Grant opportunities are continually monitored.

The county continues to face future funding demands for several areas of government: (1) the rising cost of funding the County's contribution rate for the retirement fund, (2) the increased

cost of providing optional health insurance for employees, (3) the replacement costs for roads and bridges, (4) the rising cost of property, casualty, and liability insurance, (5) the need for more space for county services, (6) the constant maintenance and repair needed to preserve the County's ageing buildings, (7) the desire to offer a competitive salary for quality employees, (8) the need to maintain occupancy levels to capacity at both the nursing home and independent living facility, (9) the uncontrollable costs of unfunded mandates and (10) the pressure of demands from the taxpayers for higher levels of service.

Market losses during 2008 and again in 2011 impacted the county's contribution rates to the Retirement Fund for the year 2010 and beyond. Since returns on IMRF's investments netted much less than their anticipated returns, it will be necessary to continue to divert more tax dollars to the Retirement Fund's levy. The plan is administered by the Illinois Municipal Retirement Fund (IMRF). The market losses reduced the county's funding status which required the county to contribute at a higher rate beginning January 2010. However, this resulted in an additional liability totaling \$38,000 at year end and the county was able to reduce that liability during fiscal year 2011. The County's regular rate for 2013 will represent a 6.87% increase in contributions, or over \$32,000.

With proposed increases for health insurance plans exceeding twenty-nine percent (29%), the County explored several options and made the decision to go "self-funded" on July 1, 2010. The self-funded pool includes employees from the County and Sunny Acres Nursing Home. The County, EMS, Sunny Acres and the Health Department contribute seventy percent (70%) of the premium cost for regular employees and the County contributes one hundred percent (100%) of the premium for union deputies, union highway employees, and the highway superintendent.

The goal of the self-funded plan is to be able to provide a high quality group health care plan at a reasonable cost to the employee, employer and the taxpayer. The County's General Fund had to deposit additional funds after two months in the program. The insurance plan ended the year with very little cash, a \$50,000 liability to the General Fund and estimated outstanding claims totaling \$70,000. The balance of the fund is constantly monitored and it is the hope of management the program will finally level out.

The County obtains property, casualty, and liability risk management protection through the *Illinois Counties Risk Management Trust*. A separate Liability Insurance Fund is used to fund risk management protection, pay deductibles, and to pay self-insured claims. Risk control techniques are emphasized to the employees and monitored in the various activities and departments of the County.

Menard County owns farm ground, of which 209 acres are tillable, east of Petersburg. In the early years, the farm had been managed as a traditional crop share operation. In the most recent years, the farm lease has been set up as a cash rent operation. The farm is also the site of a Verizon cell tower which provides additional lease income. The income from the "County Farm" subsidizes the County's General Fund operation. A new two year farm lease was bid in the fall of 2011 and began March 2012. The new cash rent lease increased by around sixty-six percent (66%).

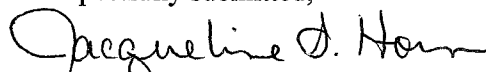
The County Treasurer pools and invests all funds of the County within Investment Policy guidelines established November 1999 and according to federal, state and other legal requirements, most particularly the Illinois Compiled Statutes 30 ILCS 235/2. The main objectives of the treasurer's investment policy are legality, safety, liquidity, and yield. Cash is invested in insured and collateralized interest bearing demand deposits and money market accounts, certificates of deposit, and the Illinois Funds Money Market investment pool that is administered by the Illinois State Treasurer. Rock bottom interest rates have affected the interest income budgeted for 2011 which fell far short of the budgeted amount by around fifty-three percent (53%).

## ACKNOWLEDGEMENTS

As County Treasurer my responsibilities include assisting Menard County's management in safeguarding its assets, preparing and presenting reliable financial reports, maintaining effective and efficient operations, and compliance with applicable laws and regulations. This report is the result of increased professionalism and cooperation within the County and was made possible from efforts of all elected officials and department heads and their staff.

I would like to express my sincere appreciation to my staff, Pam Bauser and Rosanne Snyder for their dedication, endless hours and professional attitude to the task at hand. Each elected official and department head along with their support staff has my appreciation for the contributions made in preparing this report. I would like to acknowledge the Board of Commissioners for planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, reading "Jacqueline S. Horn". The signature is written in a cursive style with a large initial "J".

Jacqueline S. Horn  
Menard County Treasurer

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**MENARD COUNTY, ILLINOIS**  
**Management's Discussion and Analysis (M D &A)**  
**For the year ended November 30, 2011**

The County of Menard, Illinois' (County) management's discussion and analysis provides an overview of the County's financial activities for the year ended November 30, 2011 and is designed to (a) assist the reader in focusing on significant financial issues, (b) identify changes in the County's financial position (its ability to address the next and subsequent years' challenges), (c) identify any material deviations from the financial plan (the approved budget), and (d) identify the individual fund issues or concerns.

This *discussion and analysis* is intended to serve as an introduction to the County's *basic financial statements* and is designed to focus on the current year's financial activities, resulting changes, and currently known facts. We encourage you to read it in conjunction with the transmittal letter at the front of this report and the County's audited *basic financial statements*, which follow this section.

**FINANCIAL HIGHLIGHTS**

- At November 30, 2011 the County's assets exceeded its liabilities by \$22,842,000. Of this amount \$12,543,000 is invested in capital assets, net of related debt; \$6,985,000 is restricted for special purposes and uses; leaving \$1,518,000 available for the County's ongoing *governmental activities* and \$1,796,000 available for its ongoing *business-type activities*.
- The County's net assets increased during the course of this year's operations. The net assets of our *governmental activities* decreased \$227,000, or 1.4%; all of this relates to the excess of depreciation expense over the costs of capital outlays and the year to year change in inventories. The net assets of our *business-type activities* increased \$492,000 or 7.4%. This resulted primarily from the successor arrangement to our intergovernmental agreement with the State of Illinois Department of Healthcare and Family Services for administering an alternative reimbursement methodology for Medicaid reimbursements; otherwise the change in net assets would have been an increase of \$119,000. The revenue from the successor agreement, \$373,000 has not yet been collected from the State of Illinois.
- General tax revenues increased 5.1%, with property taxes increasing 4.2%.
- The cost of the County's *governmental activities* increased 7%, primarily because of scheduled and needed increases in *roads and bridges* maintenance costs, we continue to work at conserving our *roads and bridges* net assets for future construction costs funding. Since 2008, our *governmental activities costs* have only increased 1.2%, primarily because of our emphasis on conserving *roads and bridges* funds.
- The *net charges for services* for the County's *business-type activities* increased .1% while expenses decreased 1.5%. Expense decreases were attributable to lower cost levels for medical supplies and food and dietary costs and the direct costs associated with a reduction in Medicare resident days.
- The *General Fund* experienced a decrease in the fund balance of \$168,000 before the return of \$60,000 from our *business-type activities* resulting in a \$108,000 decrease in the fund balance, or 4.9%. However, we did make a much needed transfer of \$200,000 to the *Building Improvement Fund*; usually we would expect to transfer at least \$50,000 to that fund. The transferred funds were used to purchase land for a contemplated building to house both our public health and emergency service operations.
- The *Emergency Medical Services Fund* had an increase in the fund balance of \$29,000, which was consistent with the 2010 results. Medicaid revenues from the State of Illinois continue to remain substantially less than the related cost of services. The loan from the *General Fund* decreased \$15,000 to \$310,000.

***Menard County, Illinois***  
***Management Discussion and Analysis – continued***

- *The Health Department Fund* incurred a \$61,000 reduction in fund balance (after a one time gain on a contract settlement of \$25,000) along with a prior period adjustment of \$30,000 that reduced its beginning of the year fund balance. This was a 75% reduction in the equity for this vital service. Management attributes this unfavorable result to the continued contraction of the department's home health services and estimated unexpected credit losses from its home health activities. The home health activities have historically offset the net costs of the department's public health operations.
- In June 2010 we changed our arrangement for providing group health hospitalization and medical benefits for eligible and participating County employees from using commercial insurance providers to a risk retention arrangement whereby the County and participating employees directly fund the related costs including the actual costs of claims, reinsurance protection costs, and administrative costs. An internal service fund, the *Self Insurance Fund*, was established to account for and report all of the monetary and economic aspects of providing this service benefit to other County funds and departments, including the Menard County Health Department. The *Self Insurance Fund* experienced a \$78,000 decrease in net assets for 2011.

***USING THIS ANNUAL FINANCIAL REPORT***

The *basic financial statements* focus on the County as a whole (*government-wide*) and on the *major individual funds*. Both of these perspectives (*government wide* and *major fund*) allow the financial statements users to address relevant questions, broaden a basis for comparison (year to year or government to government), and enhance the County's financial accountability.

***Overview of the financial statements***

This annual financial report consists of four parts – *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and an optional section that *provides combining statements* for *nonmajor governmental funds* and the *fiduciary funds*. The *basic financial statements* include two kinds of statements that present different views of the County.

The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the County's overall financial status.

The remaining statements are *fund financial statements* that focus on *individual parts* of the County government, reporting the County's operations in more *detail* than the *government-wide statements* -

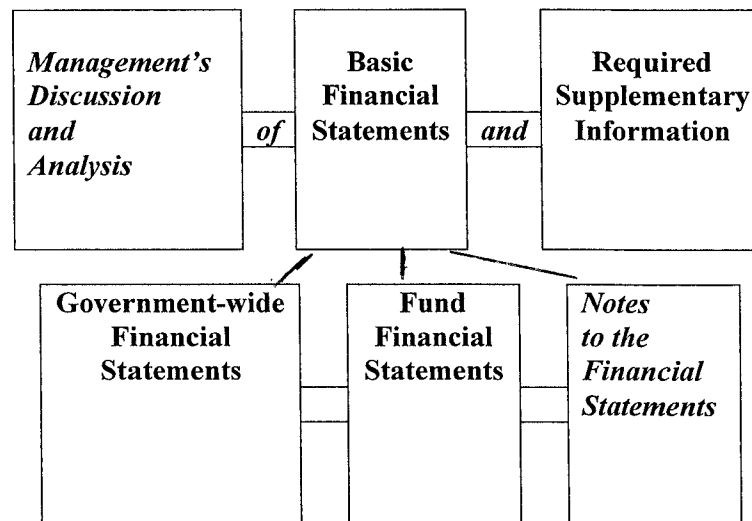
- The *governmental funds* statements tell how general government services like public safety, and roads and bridges were financed in the short term as well what remains for future spending. Such funds include the *general fund*, and several other funds that are special revenue funds; funds that account for and report the proceeds of specific revenue sources that are restricted for use for specified sources other than debt service or capital projects. The County does not use or is required to use debt service or capital projects funds.
- *Proprietary funds* statements offer short-term and long-term financial information about the activities the government operates like *businesses (enterprise funds)*, such as *Sunny Acres Nursing Home* and *Countryside Estates of the County*, and services the County provides internally on a cost reimbursement basis to funds and departments (*internal service funds*) like the risk retention aspects of self funding group type medical and hospitalization benefits for County employees.

*Fiduciary funds* statements provide information about the financial relationships – like the *Menard County Collector*, and the *Township Bridge* and *Township Motor Fuel Tax* arrangements with the

***Menard County, Illinois***  
***Management Discussion and Analysis – continued***

County's road districts – in which the County acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The *basic financial statements* are followed by a section of required supplementary information that further explains and supports the information in the financial statements. These required parts of our annual financial report are arranged and relate to each other as follows –



In addition to these required elements, we have included a section with combining statements that provide details about our *nonmajor governmental funds* and *fiduciary funds*.

The table that follows summarizes the major features of the County's financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**Menard County, Illinois**  
**Management Discussion and Analysis – continued**

**Major Features of Menard County's Government-wide and Fund Financial Statements**

	Government-wide Statements	Fund statements		
		Government Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire County government (except fiduciary funds) and component units	The activities of the County that are not proprietary or fiduciary, such as public safety	Activities the County operates similar to private businesses, Sunny Acres Nursing Home and Countryside Estates of the County	Instances in which the County is a trustee or agent for someone's resources, such as township bridge
Required financial statements	Statement of net assets Statement of activities	Balance sheet Statement of revenues expenditures, and changes in fund balances	Statement of net assets, Statement of revenues, expenses and changes in net assets, Statement of of cash flows	Statement of fiduciary net assets, Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability data	All assets and liabilities, financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities financial and capital, and short-term, and long-term	All assets and liabilities financial and capital, and short-term, and long-term
Type of inflow and outflow data	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during the year or or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

**Government-wide financial statements**

The *government-wide financial statements* report information about the County as a whole using accounting methods similar to those used by private-sector businesses. The government-wide financial statements include two statements, the *Statement of Financial Position* and the *Statement of Activities*. Fiduciary activities, whose resources are not available to finance County programs, are excluded from these statements. The *Statement of Financial Position* presents information on all of the County's assets and liabilities with the difference between the two reported as *net assets*. Over time, increases or decreases in *net assets* may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. The County's financial position improved during 2011, although the improvement is totally contingent upon our complete collection of certain amounts due from the State of Illinois at 11-30-11. This has not yet occurred as of the writing of this discussion.



**Menard County, Illinois.**  
**Management Discussion and Analysis – continued**

The *Statement of Activities* presents information showing how the government's net assets changed during the most recent fiscal year. It presents the revenues and expenses of the County with the difference between the two reported as the change in *net assets* for the year.

Both of these *government-wide financial statements* distinguish the various functions of Menard County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

The *governmental activities* of Menard County include general government, public safety, roads and bridges, public health, judiciary and court, county development, liability and insurance, retirement and fica, public welfare, and interest on long-term debt. Also included are the assets and liabilities of the *Self Insurance Fund*.

The *business-type activities* include Sunny Acres Nursing Home and Countryside Estates of the County.

The *government-wide financial statements* also include legally separate component units, the *Menard County Health Department*, for which the County is financially accountable, and the *Menard County 911 System*. The account balances and transactions of the *Menard County Health Department* have been blended into the County's financial statements. "Blending" is a process by which the account balances and transactions of the component unit are reported in a manner similar to the account balances and transactions of the primary government entity. The account balances and transactions of the *Menard County 911 System* are discretely presented in the financial statements. A "discrete presentation" displays the component unit's financial information in a separate column(s) apart from the primary government.

***Fund financial statements***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County like other state and local governments uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County are categorized into three distinct fund types, *governmental funds*, *proprietary funds*, and *fiduciary funds*.

*Governmental funds* are used to account for essentially the same functions reported as governmental activities in the *government-wide* financial statements. However, unlike the *government-wide* statements, *governmental funds'* financial statements only report on how general government services were financed during the year as well what financial resources remain for future spending.

Because the focus of *governmental funds'* financial statements is narrower than that of the *government-wide* financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the *government-wide* financial statements. By doing so, financial statement users may better understand the long-term impact of the County's near-term financing decisions. Both the *governmental funds' balance sheet* and the *governmental fund's statement of revenues, expenditures, and changes in fund balances* provide a *reconciliation* to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains individual *governmental funds*. Information is reported separately in the *governmental funds' balance sheet* and in the *governmental funds' statement of revenues, expenditures, and changes in fund balances* for the ***General Fund, Liability and Insurance Fund, Emergency Medical Services Fund, Health Department Fund, County Highway Fund, and County Motor Fuel Tax Fund***, all of which are considered to be major funds. Data from the other *governmental funds* are combined into a single, aggregated presentation. Individual fund data for each of these *nonmajor governmental funds* is provided elsewhere in this report.

***Menard County, Illinois***  
***Management Discussion and Analysis – continued***

The County's Board of Commissioners adopts an annual appropriations budget for its governmental funds. Budgetary comparison schedules have been provided for the *General Fund* and the other *major funds* to demonstrate budgetary compliance for these funds.

***Proprietary funds***

The County maintains two types of *proprietary funds*, *enterprise funds* for the activities the County operates like businesses and *internal service funds*. The County uses *enterprise funds* to account for the financial activities of Sunny Acres Nursing Home and Countryside Estates of the County; an *internal service fund* is used to account for the financial activities of the risk retention aspects of self funding group type medical and hospitalization benefits for eligible and participating county employees.

*Proprietary funds'* financial statements provide the same type of information as the *government-wide* financial statements, only in more detail. The *proprietary funds'* financial statements provide separate information for *Sunny Acres Nursing Home* and *Countryside Estates of the County (enterprise funds)* and the *Self Insurance Fund (internal service fund)*.

***Fiduciary Funds***

*Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. *Fiduciary funds* are not reflected in the *government-wide financial statements* because the resources of those funds are not available to support the County's own programs. The accounting used for *fiduciary funds* is much like that used for *proprietary funds*.

***Notes to the financial statements***

The *notes* provide additional information that is essential to a full understanding of the data provided in the *government-wide* and *fund* financial statements. The notes also include information that is essential to a full understanding of the *required supplementary information*.

***Other information***

In addition to the basic financial statements and the accompanying notes, this report also presents certain *required supplementary information* concerning the County's *schedules of budgetary comparisons*, and *progress in funding its obligations to provide pension benefits to its employees and employer contributions*.

*Combining fund statements* are also a part of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The table that follows presents a comparison of the County's condensed *Statement of Net Assets* as of November 30, 2011 and 2010.

(to the nearest thousand dollars)

	Governmental		Business-type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
<i>Current and other assets</i>	\$ 6,588,000	6,724,000	\$ 4,854,000	4,316,000	\$ 11,442,000	11,040,000
<i>Capital assets</i>	9,684,000	9,901,000	2,944,000	2,919,000	12,628,000	12,820,000
<i>Total assets</i>	16,272,000	16,625,000	7,798,000	7,235,000	24,070,000	23,860,000
<i>Current and other liabilities</i>	512,000	623,000	646,000	575,000	1,158,000	1,198,000
<i>Long-term debt outstanding</i>	70,000	85,000	-	-	70,000	85,000
<i>Total liabilities</i>	582,000	708,000	646,000	575,000	1,228,000	1,283,000
<i>Net assets -</i>						
<i>Invested in capital assets,</i>						
<i>net of related debt</i>	9,599,000	9,787,000	2,944,000	2,919,000	12,543,000	12,706,000
<i>Restricted</i>	4,573,000	4,618,000	2,413,000	2,150,000	6,986,000	6,768,000
<i>Unrestricted</i>	1,518,000	1,512,000	1,795,000	1,591,000	3,313,000	3,103,000
<i>Total net assets</i>	\$ 15,690,000	15,917,000	\$ 7,152,000	6,660,000	\$ 22,842,000	22,577,000

The largest portion of the County's net assets is reflected in its *investment in capital assets* (land, buildings, equipment, and infrastructure); less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens and others; therefore, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of outstanding debt used to acquire the assets it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

*Restricted net assets* represent a variety of programs, projects, services and funds that are subject to external and internal restrictions on how they may be used. Both the County's *governmental activities* and its *business-type activities* have restricted net assets. This means that these net assets are not available for funding the general operations of the related activity.

The remaining portion of the County's *net assets*, *unrestricted net assets* are available for funding general operations related to the County's *governmental* and *business-type activities*. *The trend in the amount of the County's unrestricted net assets is a leading indicator of the County's continued ability to fund its obligations to citizens, creditors, and others. Unrestricted net assets increased \$210,000 during the year. Unrestricted net assets for governmental activities increased \$6,000 or .4%. Business-type activities' unrestricted net assets increased \$204,000 or 12.8%.*

**Menard County, Illinois**  
**Management Discussion and Analysis – continued**

The table that follows presents a comparison of the County's condensed *statement of activities* for the years ended November 30, 2011 and 2010 and indicates how the *net assets* changed each year.

(in thousands of dollars)							
	Governmental		Business-type		Total		
	Activities		Activities		Total		
	2011	2010	2011	2010	2011	2010	
<b>Program revenues</b>							
<i>Charges for services</i>	\$ 2,070	2,120	\$ 6,599	6,565	\$ 8,669	8,685	
<i>Grants and contributions</i>	894	1,671	92	22	986	1,693	
<b>General revenues</b>							
<i>Property taxes</i>	2,540	2,437	-	-	2,540	2,437	
<i>Other taxes</i>	1,790	1,683	-	-	1,790	1,683	
<i>Interest</i>	33	59	21	34	54	93	
<b>Total revenues</b>	<b>7,327</b>	<b>7,970</b>	<b>6,712</b>	<b>6,621</b>	<b>14,039</b>	<b>14,591</b>	
<b>Expenses</b>							
<i>General government</i>	1,282	1,212	-	-	1,282	1,212	
<i>Public safety</i>	2,398	2,385	-	-	2,398	2,385	
<i>Roads and bridges</i>	1,487	1,205	-	-	1,487	1,205	
<i>Public health</i>	869	770	-	-	869	770	
<i>Judiciary and court</i>	572	593	-	-	572	593	
<i>County development</i>	69	46	-	-	69	46	
<i>Liability and insurance</i>	266	174	-	-	266	174	
<i>Retirement and FICA</i>	595	573	-	-	595	573	
<i>Public welfare</i>	74	92	-	-	74	92	
<i>Interest on long-term debt</i>	2	2	-	-	2	2	
<i>Sunny Acres Nursing Home</i>	-	-	5,787	5,814	5,787	5,814	
<i>Countryside Estates</i>	-	-	373	348	373	348	
<b>Total expenses</b>	<b>7,614</b>	<b>7,052</b>	<b>6,160</b>	<b>6,162</b>	<b>13,774</b>	<b>13,214</b>	
<b>Excess (deficiency)</b>	<b>(287)</b>	<b>918</b>	<b>552</b>	<b>459</b>	<b>265</b>	<b>1,377</b>	
<b>Transfers</b>	<b>60</b>	<b>53</b>	<b>(60)</b>	<b>(53)</b>	<b>-</b>	<b>-</b>	
<b>Increase (decrease) in net assets</b>	<b>(227)</b>	<b>971</b>	<b>492</b>	<b>406</b>	<b>265</b>	<b>1,377</b>	

**Governmental Activities**

*Program revenues* for 2011 were \$2,964,000, a decrease of \$827,000 from 2011. These revenues, consisting of *charges for services* and *grants and contributions*, are derived from the programs themselves and reduce the cost of the respective functions to the County. The decrease in *charges for services*, \$50,000, resulted from several sources, primarily the sale of *roads and bridges* supply type items. *Grants and contributions* decreased \$777,000 primarily because of a decrease in capital grants from the State of Illinois for *roads and bridges*. This can occur as a result of the State of Illinois' Department of Transportation's direct funding of certain road construction projects. There were no such projects in 2011.

**Menard County, Illinois**  
**Management Discussion and Analysis – continued**

**General Tax Revenues**

General tax revenues consist of property taxes, state income taxes shared by the state of Illinois, motor fuel taxes allocated by the state of Illinois, local sales taxes collected by the state of Illinois and distributed to the County, and certain other taxes. Property taxes comprised 59% of the general tax revenues and are levied by the County within the constraints of the State of Illinois *property tax limitation law* to assist in funding the costs of the *general government, public safety, roads and bridges, retirement and fica, and liability and insurance* programs. The County has specific property tax levies for costs associated with certain *public safety* program costs, *liability and insurance, roads and bridges, county development, retirement and fica, and public welfare* programs in addition to the general corporate levy. The motor fuel taxes received by the County are restricted for the *roads and bridges* program.

The following tables display the changes in the County's *general tax revenues* for 2011 and 2010, and the related changes in *property taxes*.

**General Tax Revenues (to the nearest thousand dollars)**

		<b>2011</b>	<b>2010</b>	<b>Increase</b>	
					<b>%</b>
<b>Property taxes</b>	<b>\$</b>	<b>2,540,000</b>	<b>2,436,000</b>	<b>104,000</b>	<b>4.20</b>
<b>State income taxes</b>		<b>531,000</b>	<b>510,000</b>	<b>21,000</b>	<b>4.10</b>
<b>Motor fuel taxes</b>		<b>329,000</b>	<b>332,000</b>	<b>(3,000)</b>	<b>(.90)</b>
<b>Public Safety Sales Tax</b>		<b>460,000</b>	<b>422,000</b>	<b>38,000</b>	<b>9.00</b>
<b>Sales taxes</b>		<b>388,000</b>	<b>340,000</b>	<b>48,000</b>	<b>14.11</b>
<b>Other taxes</b>		<b>82,000</b>	<b>80,000</b>	<b>2,000</b>	<b>2.50</b>
<b>Total</b>	<b>\$</b>	<b>4,330,000</b>	<b>4,120,000</b>	<b>210,000</b>	<b>5.10</b>

**Property Taxes by Governmental Activities' Programs (to the nearest 100 dollars)**

		<b>2011</b>	<b>2010</b>	<b>Change</b>
<b>General government</b>	<b>\$</b>	<b>772,700</b>	<b>777,000</b>	<b>(4,300)</b>
<b>Public safety</b>		<b>321,700</b>	<b>298,700</b>	<b>23,000</b>
<b>Roads and bridges</b>		<b>584,600</b>	<b>565,300</b>	<b>19,300</b>
<b>Public health</b>		<b>8,100</b>	<b>8,000</b>	<b>100</b>
<b>County development</b>		<b>62,200</b>	<b>61,000</b>	<b>1,200</b>
<b>Liability and insurance</b>		<b>205,700</b>	<b>186,100</b>	<b>19,600</b>
<b>Retirement and fica</b>		<b>542,300</b>	<b>498,100</b>	<b>44,200</b>
<b>Public welfare</b>		<b>42,300</b>	<b>41,800</b>	<b>500</b>
<b>Total</b>	<b>\$</b>	<b>2,539,600</b>	<b>2,436,000</b>	<b>103,600</b>

The table that follows presents a comparison of the *costs* of the County's governmental activities as well as each activity's *net cost* (costs less charges for services, operating grants and contributions, and capital grants contributions). The *net cost* indicates the financial burden placed on the County's taxpayers by each activity.

**Menard County, Illinois**  
**Management Discussion and Analysis – continued**

**Cost and Net Cost Comparison of Governmental Activities**

(in thousands of dollars)

	<i>Total cost of activities</i>		<i>Net cost of activities</i>	
	2011	2010	2011	2010
<b>General government</b>	\$ 1,282	1,212	\$ 939	873
<b>Public Safety</b>	2,398	2,385	1,638	1,574
<b>Roads and bridges</b>	1,487	1,205	971	(78)
<b>Public health</b>	868	770	120	43
<b>Judiciary and court</b>	572	593	94	143
<b>County development</b>	70	46	5	(51)
<b>Liability and insurance</b>	266	174	266	174
<b>Retirement and fica</b>	595	573	595	573
<b>Public welfare</b>	74	92	19	46
<b>Interest on long-term debt</b>	2	2	2	2
<b>Total</b>	\$ 7,614	7,052	\$ 4,650	3,299

*General government* costs are incurred for the operation of certain offices and departments located in the County courthouse and are associated with the financial, administrative, property assessing, property tax extending and collection, document recording, election, and other general functions. *Public safety* costs are those associated with the County Sheriff's Department and operation of the County jail complex. Also included are the costs associated with services provided by the County's for emergency medical services including that department's insurance costs and retirement costs, and the costs of providing animal control services. The County commenced providing emergency medical services in October 2005.

*Roads and Bridges* are the costs of operating the County's Highway Department. The County utilizes several funds to account for the Highway Department's activities. The County realized a capital contribution of approximately \$948,000 in 2010 for the completion of a portion of the capital safety improvements to the Athens blacktop. This, primarily, accounts for the increase in the net cost of activities from 2010.

*Public Health* costs are the costs of operating the Menard County Health Department's programs including its administration of the tuberculosis program. The Health Department's retirement costs, approximately \$67,000, are direct costs of and funded directly by the County's *Retirement and FICA Fund*.

*Judiciary and Court* costs are those associated with operating the *Circuit Clerk's Office*, the *State's Attorney Office*, the *Probation Department* and the *County's courts*.

*County Development* costs consist of certain costs pertaining to cooperative extension education, development of a countywide geographic information system, and certain economic development costs.

*Liability and Insurance* costs represent the County's participation in the *Illinois Counties Risk Management Trust* for protection commonly associated with property, casualty, and workmen compensation protection as it pertains to the County's governmental activities. Also included are certain unemployment compensation costs and the excess healthcare costs for the *Self Insurance Fund*. This activity can include costs incurred and not covered by insurance.

**Menard County, Illinois**  
**Management Discussion and Analysis – continued**

*Retirement and FICA* costs consist of the County's required contribution to the *Illinois Municipal Retirement Fund* and *FICA* costs for employees involved with the County's *governmental activities*' programs.

*Public Welfare* costs relate to providing general assistance and emergency relief, and senior transport van services to the County's citizens.

*Interest on long-term debt* is the annual interest costs associated with the County's general obligation debt obligations.

***Business-type Activities***

*Business-type activities* increased the County's net assets \$492,000 for the year ended November 30, 2011. These same activities provided a \$406,000 increase in net assets for 2010.

**Sunny Acres Nursing Home and Countryside Estates of the County.** The following chart provides a comparison of net revenues for 2011 and 2010.

**(to the nearest thousand)**

		<b>2011</b>		<b>2010</b>		<b>Change</b>
<b>Private pay</b>	\$	2,310,000	\$	2,109,000	\$	201,000
<b>Medicare</b>		1,835,000		1,966,000		(131,000)
<b>Medicaid</b>		2,213,000		2,071,000		142,000
<b>Medicaid Supplementary</b>		373,000		414,000		(41,000)
<b>Other</b>		65,000		64,000		1,000
<b>Medicaid contribution</b>		(197,000)		(59,000)		138,000
<b>Total</b>	\$	6,599,000	\$	6,565,000	\$	34,000

The following chart provides a comparison of Sunny Acres Nursing Home's resident days for 2011 and 2010.

**(resident days)**

	<b>2011</b>	<b>2010</b>	<b>Change</b>
<b>Private pay</b>	13,395	11,864	1,531
<b>Medicare and other</b>	3,271	3,807	(531)
<b>Medicaid</b>	19,033	19,117	(84))
<b>Total</b>	35,699	34,788	991
<b>Annual capacity</b>	38,690	38,690	-
<b>Percent occupied</b>	92.27%	89.91%	2.62%

The assets of the *Intergovernmental Transfer Fund* that were derived from administrative allowances earned for administering an alternate Medicaid reimbursement methodology for the State of Illinois Department of Healthcare and Family Services were transferred to the *Sunny Acres Nursing Home Fund* in late 2006 because the intergovernmental agreement was terminated by the Department on September 30, 2006. Administration of the alternate Medicaid reimbursement methodology became a required activity of Sunny Acres Nursing Home on November 1, 2006. The net assets transferred were

**Menard County, Illinois**  
**Management Discussion and Analysis – continued**

segregated within the Sunny Acres Nursing Home Fund and have been reserved for capital purposes by the Menard County Board of Commissioners. The commissioners designated that future increases in the net assets of the Sunny Acres Nursing Home Fund derived from administering the alternate Medicaid reimbursement methodology will be reserved as a *capital reserve* equity component of the *Sunny Acres Nursing Home Fund* and designated for future capital needs. The alternate Medicaid reimbursement methodology process was discontinued on September 30, 2009. The commissioners have indicated that the portion of future Medicaid reimbursements that effectively represents the administrative allowances (Medicaid supplementary) earned and collected through the alternate reimbursement process will be designated as *capital reserve*.

*Countryside Estates of the County*, the County's independent living facility, operated profitably for 2011 and 2010 because of consistently high occupancy.

The following table provides a summary comparison of the County's *business-type activities* results for 2011 and 2010.

***Business-type activities results***

*(in thousands of dollars)*

	<b><i>Sunny Acres Nursing Home Fund</i></b>				<b><i>Countryside Estates of the County Fund</i></b>				<b><i>Total</i></b>	
	<b><i>Operations Component</i></b>		<b><i>Capital Reserve Component</i></b>							
	<b><i>2011</i></b>	<b><i>2010</i></b>	<b><i>2011</i></b>	<b><i>2010</i></b>	<b><i>2011</i></b>	<b><i>2010</i></b>	<b><i>2011</i></b>	<b><i>2010</i></b>	<b><i>2011</i></b>	<b><i>2010</i></b>
<b><i>Net revenue</i></b>	\$ 6,181	6,149	\$ -	-	\$ 418	416	\$ 6,599	6,565		
<b><i>Contributions</i></b>	92	22	-	-	-	-	92	22		
<b><i>Interest income</i></b>	10	17	9	13	2	4	21	34		
<b><i>Expenses</i></b>	5,787	5,986	1	(172)	372	348	6,160	6,162		
<b><i>Transfers, net</i></b>	360	(446)	(189)	396	(231)	(3)	(60)	(53)		
<b><i>Change in net assets</i></b>	\$ 856	(244)	\$ (181)	581	\$ (183)	69	\$ 492	406		

***Component Units***

The *Menard County 911 System's* net assets decreased from \$707,000 to \$621,000 during the year. Net assets were \$795,000 in 2010. The net assets are meant to be accumulated for financing future capital asset and infrastructure needs. Capital assets of \$3,000 were placed into service during 2011. 911 services for the County began in 2007. The public's discontinuing use of land based telephone lines is hampering the system's ability to maintain revenues.

***Financial Analysis of the County's Funds***

We noted earlier that the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.



**Menard County, Illinois**  
**Management Discussion and Analysis – continued**

**Governmental Funds**

The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in assessing the County's financing requirements. In particular, *unreserved fund balances* may serve as a leading indicator of a government's *net resources* available for spending at the end of the fiscal year.

At the end of the current fiscal year, the County's *governmental funds* reported combined ending fund balances of \$6,219,000. Of this amount, \$526,000 is in nonspendable form; \$4,175,000 is restricted and assigned for future specific purposes such as roads and bridges, public safety, retirement costs, and insurance and liability costs. The remaining amount, \$1,518,000, the spendable amount of fund balance of the County's *General Fund*, is available for funding future general operations and obligations.

The *General Fund* is the County's principal operating fund and is used to account for general operations. The fund balance of the General Fund at November 30, 2011 was \$2,104,000 with \$526,000 in nonspendable form and \$60,000 specifically assigned.

The *Liability and Insurance Fund* is used to account for the annual tax for the payment of the costs associated with the our *governmental activities'* property and casualty risk management activities including workman's compensation; and self insured unemployment compensation costs. The fund balance of this fund increased \$18,000 to \$486,000 in 2011.

The *Emergency Medical Services Fund* is used to account for the revenues and all of the costs of providing emergency medical services in the County. It had a fund balance of \$241,000 at November 30, 2011 and a fund balance of \$212,000 at November 30, 2010. We have improved the financial viability of this vital County service with increased property tax funding within the confines of the State's property tax limitation laws.

The *Health Department Fund* is the result of "blending" the Menard County Health Department into the County's financial statements. It had a fund balance of \$29,000 at November 30, 2011. This was a decrease of \$91,000 from 2010. The department has experienced continued successive substantial contractions in the volume of home health services since 2007 and incurred estimated credit losses of \$40,000 during 2011 and 30,000 during 2010..

The *County Highway Fund* is the Highway Department's general operating fund. It had a fund balance of \$731,000 at November 30, 2011, an \$117,000 increase since 2010.

The *County Motor Fuel Tax Fund* had a fund balance of \$347,000 at November 30, 2011, a \$19,000 increase since 2010. The fund balance for this fund is restricted for future road and bridge project and maintenance spending in accordance with project budgets approved the County Board of Commissioners and the Illinois Department of Transportation.

The remaining *nonmajor governmental funds* reported a combined fund balance of \$2,241,000 at November 30, 2011, an increase of \$204,000 since 2010.

**Proprietary Funds**

The County's *proprietary fund financial statements* provide the same type of information found in the *government-wide financial statements*, but in more detail. Proprietary funds consist of both *enterprise* and *internal service funds*. Our enterprise funds are essentially our *business-type activities*. Our only internal service fund is the *Self Insurance Fund* which is included in our *governmental activities*.

**Menard County, Illinois**  
**Management Discussion and Analysis – continued**

The *enterprise funds' unrestricted net assets* at November 30, 2011 were \$1,796,000 as compared to \$1,591,000 at November 30, 2010. Factors concerning the finances of these funds are discussed in the *business-type activities* section of this *discussion and analysis*.

The *internal service fund*, the Self Insurance Fund, had negative net assets, a deficit of 78,000 at November 30, 2011. All of which occurred during 2011.

***Fiduciary Funds***

There were no significant changes in the operations of the *fiduciary funds* during the year ended November 30, 2011.

***Major funds' budgetary highlights***

The ***General Fund*** budgeted for a **decrease** in the fund balance of \$537,000 for the year ended November 30, 2011. The actual fund balance decrease for the year was \$108,000.

Revisions (individual line changes) to the original budget during the year were minimal and nominal. Budgeted revenues did not change and of course total budgeted expenditures and transfers out remained the same during the year.

Actual revenues were \$172,000 more than budgeted revenues Actual expenditures were \$257,000 less than budgeted amounts. Actual net transfers out, \$205,000, were what was budgeted.

The ***Liability and Insurance Fund's*** fund balance decreased \$18,000. We expected a \$23,000 decrease.

The ***Emergency Medical Services Fund*** Reimbursements by the State of Illinois for Medicaid services remain less than our cost of services. We estimate this funding loss to be approximately \$100,000 annually.

The ***Health Department Fund's*** fund balance decreased \$61,000, including a \$40,000 provision for doubtful accounts; the budgeted increase was \$10,000. The *Health Department's* budget is predominately an internal budget rather than an appropriated budget. Changes in the levels of grant funding provided by certain state agencies and changes in the volume of home health services often result in significant variances between budgeted and actual results. Home health revenues were \$110,000 less than what was budgeted and grant revenues were \$52,000 more than what was budgeted.

The ***Highway Fund's*** fund balance increased \$117,000.

The ***County Motor Fuel Tax Fund's*** fund balance increased \$19,000.

The actual results for the County's ***nonmajor governmental funds*** were consistent with the County's Board of Commissioners and managements' expectations documented in the County's annual budget for the fiscal year ended November 30, 2011. A few *funds'* actual expenditures exceeded budgeted amounts. These funds and the excess amounts are listed in Note 2 to the basic financial statements.

A management budget is prepared each year for the two *enterprise funds* that comprise the County's *business-type activities*. The County Board of Commissioners' and management's expectations for *Sunny Acres Nursing Home* and *Countryside Estates of the County* results of operations is always greater than what is documented in the management budgets for those operations.

Our internal service fund, the *Self Insurance Fund*, was authorized July 1, 2010 with the expectation that incurred costs would equal or approximate contributions from the participating funds and departments including

**Menard County, Illinois**  
**Management Discussion and Analysis – continued**

amounts from participating employees. This in fact was the result for 2010. However the actual result for 2011 was excess costs of \$78,000.

**Capital Asset and Long-Term Debt**

**Capital Assets**

At November 30, 2011 the County had invested \$12,628,000 in a broad range of capital assets including land, buildings and improvements, equipment vehicles, infrastructure (roads and bridges) and construction in progress.

The following table provides a comparison of the County's capital assets at November 30, 2011 and 2010.

*(net of depreciation in thousands of dollars)*

	<i>Governmental</i>		<i>Business-type</i>		<i>Total</i>	
	<i>Activities</i>		<i>Activities</i>			
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
<i>Land</i>	\$ 304	250	\$ -	-	\$ 304	250
<i>Construction in progress</i>	142	100	-	-	142	100
<i>Buildings and improvements</i>	1,156	1,175	2,635	2,673	3,791	3,848
<i>Equipment</i>	257	330	307	240	564	570
<i>Vehicles</i>	326	373	2	6	328	379
<i>Roads</i>	5,087	5,218	-	-	5,087	5,218
<i>Bridges</i>	2,412	2,455	-	-	2,412	2,455
<i>Total</i>	\$ 9,684	9,901	\$ 2,944	2,919	\$ 12,628	12,821

This year's major capital assets additions included-

- ✓ *Land for contemplated combined Public Health and Public Safety facility, \$54,000*
- ✓ *Improvements to the heating and air systems in the Courthouse, \$124,000.*
- ✓ *Vehicles and equipment for our Public Safety activities, \$58,000*
- ✓ *Vehicles for our Public Welfare activities, \$34,000*
- ✓ *Building improvements and equipment at Sunny Acres, \$288,000*

*The Menard County 911 System acquired equipment items at \$3,000, primarily items for the dispatching system.*

**Menard County, Illinois**  
**Management Discussion and Analysis – continued**

The table that follows provides a comparison of depreciation expense by County programs for 2011 and 2010.

*(to the nearest one hundred dollars)*

		2011	2010		Change
<b>Governmental activities</b>					
<i>General government</i>	\$	96,000	116,900	\$	(20,900)
<i>Public safety</i>		113,600	102,500		11,100
<i>Roads and bridges</i>		262,600	305,000		(42,400)
<i>Public health</i>		18,400	22,600		(4,200)
<i>Judiciary and court</i>		29,300	28,300		1,000
<i>Public welfare</i>		16,200	14,900		1,300
<b>Total governmental activities</b>		536,100	590,200		(54,100)
<b>Business-type activities</b>					
<i>Sunny Acres Nursing Home</i>		176,500	167,100		9,400
<i>Countryside Estates of the County</i>		87,400	88,700		(1,300)
<b>Total Business-type activities</b>		263,900	255,800		8,100
<b>Total government-wide</b>	\$	800,000	846,000	\$	(46,000)

**Long-Term Debt**

At the end of the year, the County's long-term debt consisted solely of two installment contracts for *public safety* equipment of \$84,900 for our *governmental activities*. We borrowed \$100,000 through the Illinois Finance Authority in 2009 to assist us in purchasing a replacement ambulance for our fleet. The acquisition cost was \$138,000 and we owed \$80,000 on this obligation at the end of the year.

**Employee Retirement Benefit Plans**

The County sponsors three defined benefit pension plans for County employees through the Illinois Municipal Retirement Fund (IMRF). IMRF is an agent multiple employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. Detailed information and data for the County's pension plans are provided in the *notes* to the *basic financial statements* and in the *required supplementary information* section of this annual financial report. The *notes* also include a discussion of the deferred compensation plans the County sponsors for its employees.

The County does not contribute to the deferred compensation plans.

**Self Insurance for Medical and Hospitalization Benefits**

Claims payable at year end were \$70,000. The *general fund* advanced \$50,000 to the *self insurance fund* for working capital purposes during 2010. This amount remained owed to the *general fund* at year end. The *self insurance fund's* cash in the bank and accounts receivable at year end were \$41,800; consequently the fund's liabilities exceeded its assets by \$78,200 at year end.

***Menard County, Illinois***  
***Management Discussion and Analysis – continued***

***Economic Factors and 2012 and 2013***

- ❖ We remain quite aware of the overarching nature of the ongoing State of Illinois’ “fiscal crisis” and the potential for its ultimate resolution to negatively impact the future financial results of several of our individual funds including but not limited to our *General Fund*, the *Health Department Fund*, *Sunny Acres Nursing Home Fund*, and certain *Highway Department Funds*. State shared income taxes account for approximately 20% of the *General Fund*’s revenues and salary reimbursements from the State of Illinois provide another 7%.
- ❖ As a consequence of the State of Illinois’ “fiscal crisis”, we expect to continue having a concentration of credit with the State of Illinois periodically during 2012 and subsequent years while the state wrestles with and resolves its ongoing cash flow problems. This will negatively impact the cash flows of several funds including the *General Fund*, the *Health Department Fund*, and the *Sunny Acres Nursing Home Fund*.
- ❖ The State of Illinois has approved rules and procedures for the quarterly remittances of a portion of the annual Medicaid revenues for Sunny Acres Nursing Home. This arrangement has now been approved by the Federal government. Management expected that the quarterly revenue remaining to be collected for 2009, and the entire 2010 amount, \$484,000, would commence being collected in August 2011. At November 30, 2011 all of this amount and the entire amount for 2011, \$373,000 were still due from the State of Illinois, a total accounts receivable for Medicaid supplementary of \$857,000; approximately 20% of this has been collected thus far in 2012. It is this revenue, once collected, that we retain and designate as *capital reserve* by the *Sunny Acres Nursing Home Fund*. Also, our monthly claims for Medicaid reimbursements moved from a constant state of being two months in arrears to a constant state of being six months in arrears for our nursing home residents receiving Medicaid benefits. This is approximately a \$500,000 delay in annual Medicaid collections.
- ❖ The *General Fund* has advanced \$310,000 to the *Emergency Medical Services Fund*. The Commissioners and other management members continue to monitor and evaluate the collection status of the advance and believe it is adequately collateralized. Future funding needs for the eventual replacement of our fleet of ambulances are also being considered and evaluated. Realized Medicaid revenues for our Emergency Medical Services remain substantially less than the costs of those services.
- ❖ We anticipate that the *Menard County Health Department* will continue to experience cash flow problems during 2012. The Health Department and the County have a line of credit arrangement in place that allows the General Fund to advance up to \$100,000 to assist the Health Department with its cash flow needs. The balance used on the line of credit at July 31, 2012 was \$83,000. We expect that the Health Department will bump up against the limit at times during the remainder of this year and in future years. The department is thinly capitalized and management has accomplished several cost reduction initiatives during 2012. The unaudited results of operations through July 2012 suggest a modest positive result to date. All indications are that the line of credit amount remains adequately collateralized.
- ❖ The Board of Commissioners approved a substantial increase in funding for the *Self Insurance Fund* in June 2012. This included recommended changes to the plan document. The Commissioners continue to evaluate all funding options related to providing this employee benefit.
- ❖ We have been informed that the cost to eventually replace the roof on the courthouse will be quite substantial. The commissioners are considering potential funding options.

***Menard County, Illinois***  
***Management Discussion and Analysis – continued***

***Requests for Information***

The County's annual financial report is designed to provide our citizens, investors and creditors with the general overview of the County's finances. If you have questions about this report or need additional information, please contact the *Menard County Treasurer's Office* at the County Courthouse.

# **BASIC FINANCIAL STATEMENTS**

**MENARD COUNTY, ILLINOIS**

**STATEMENT OF FINANCIAL POSITION**

**November 30, 2011**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash	\$ 3,171,408	\$ 597,978	\$ 3,769,386	\$ 105,468
Certificates of deposit	2,350,000	533,500	2,883,500	300,000
Accounts receivable, net	367,040	1,372,688	1,739,728	40,212
Taxes receivable, net	367,014	-	367,014	-
Due from other funds	89,309	-	89,309	-
Internal balances	16,299	(16,299)	-	-
Inventories	184,725	21,517	206,242	-
Restricted cash	5,728	331,297	337,025	-
Restricted certificates of deposit	-	1,155,605	1,155,605	-
Restricted accounts receivable	36,059	858,356	894,415	-
Land	304,319	-	304,319	-
Capital assets, net	9,379,930	2,943,555	12,323,485	176,479
Other	-	-	-	5,382
<b>TOTAL ASSETS</b>	<b>16,271,831</b>	<b>7,798,197</b>	<b>24,070,028</b>	<b>627,541</b>
<b>LIABILITIES</b>				
Accounts payable	349,831	345,984	695,815	6,488
Accrued compensation	40,453	155,429	195,882	-
Self Insurance claims	70,000	-	70,000	-
Prepayments and deposits	-	117,892	117,892	-
Deferred revenue	27,000	-	27,000	-
Due to other funds	10,000	-	10,000	-
Debt payable within one year	14,917	-	14,917	-
Debt payable after one year	70,000	-	70,000	-
Other	-	26,836	26,836	-
<b>TOTAL LIABILITIES</b>	<b>582,201</b>	<b>646,141</b>	<b>1,228,342</b>	<b>6,488</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	9,599,332	2,943,555	12,542,887	176,479
Restricted for -				
Roads and bridges	1,881,893	-	1,881,893	-
Public safety	565,092	-	565,092	-
Judiciary and court	398,409	-	398,409	-
Liability and insurance	485,784	-	485,784	-
Retirement and fica	203,043	-	203,043	-
Public health	215,700	-	215,700	-
Other	822,367	2,412,990	3,235,357	-
Unrestricted	1,518,010	1,795,511	3,313,521	444,574
<b>TOTAL NET ASSETS</b>	<b>\$ 15,689,630</b>	<b>\$ 7,152,056</b>	<b>\$ 22,841,686</b>	<b>\$ 621,053</b>

The accompanying notes are an integral part of this financial statement.



**MENARD COUNTY, ILLINOIS**

**STATEMENT OF ACTIVITIES**

For the year ended November 30, 2011

Functions/Programs	Program Revenues				Primary Government			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
<b>Primary Government</b>								
<b>Governmental Activities</b>								
General government	\$ 1,282,590	\$ 311,522	\$ 32,327	\$ -	\$ (938,741)	\$ -	\$ (938,741)	
Public safety	2,397,710	710,789	48,543	-	(1,638,378)	-	(1,638,378)	
Roads and bridges	1,487,144	290,632	225,150	-	(971,362)	-	(971,362)	
Public health	868,086	366,486	381,480	-	(120,120)	-	(120,120)	
Judiciary and court	572,471	316,997	161,392	-	(94,082)	-	(94,082)	
County development	68,730	64,080	-	-	(4,650)	-	(4,650)	
Liability and insurance	265,963	-	-	-	(265,963)	-	(265,963)	
Retirement and Fica	594,997	-	-	-	(594,997)	-	(594,997)	
Public welfare	73,899	9,264	45,213	-	(19,422)	-	(19,422)	
Interest on long term debt	2,151	-	-	-	(2,151)	-	(2,151)	
<b>Total Governmental Activities</b>	<b>7,613,741</b>	<b>2,069,770</b>	<b>894,105</b>	<b>-</b>	<b>(4,649,866)</b>	<b>-</b>	<b>(4,649,866)</b>	
<b>Business-type Activities</b>								
Sunny Acres Nursing Home	5,787,100	6,180,215	22,516	69,407	-	485,038	485,038	
Countryside Estates	372,470	418,438	-	-	-	45,968	45,968	
<b>Total Business-type Activities</b>	<b>6,159,570</b>	<b>6,598,653</b>	<b>22,516</b>	<b>69,407</b>	<b>-</b>	<b>531,006</b>	<b>531,006</b>	
<b>Total Primary Government</b>	<b>\$ 13,773,311</b>	<b>\$ 8,668,423</b>	<b>\$ 916,621</b>	<b>\$ 69,407</b>	<b>(4,649,866)</b>	<b>531,006</b>	<b>(4,118,860)</b>	
<b>Component Unit</b>								
Menard County 911	\$ 326,777	\$ 238,432	\$ -	\$ -				\$ (88,345)
<b>Total Component Units</b>	<b>\$ 326,777</b>	<b>\$ 238,432</b>	<b>\$ -</b>	<b>\$ -</b>				<b>(88,345)</b>
<b>General Revenues</b>								
<b>Taxes:</b>								
Property taxes					2,539,459	-	2,539,459	-
State income taxes					531,070	-	531,070	-
Motor fuel taxes					329,477	-	329,477	-
Public safety sales tax					459,899	-	459,899	-
Sales taxes					387,569	-	387,569	-
Personal property replacement taxes					77,387	-	77,387	-
Other					5,151	-	5,151	-
<b>Total taxes:</b>					<b>4,330,012</b>	<b>-</b>	<b>4,330,012</b>	<b>-</b>
<b>Interest income</b>					<b>32,748</b>	<b>21,113</b>	<b>53,861</b>	<b>2,181</b>
<b>Total general revenues</b>					<b>4,362,760</b>	<b>21,113</b>	<b>4,383,873</b>	<b>2,181</b>
<b>Transfers</b>					<b>60,000</b>	<b>(60,000)</b>	<b>-</b>	<b>-</b>
<b>Total general revenues and transfers</b>					<b>4,422,760</b>	<b>(38,887)</b>	<b>4,383,873</b>	<b>2,181</b>
<b>Change in net assets</b>					<b>(227,106)</b>	<b>492,119</b>	<b>265,013</b>	<b>(86,164)</b>
<b>Net assets-beginning</b>					<b>15,916,736</b>	<b>6,659,937</b>	<b>22,576,673</b>	<b>707,217</b>
<b>Net assets - ending</b>					<b>\$ 15,689,630</b>	<b>\$ 7,152,056</b>	<b>\$ 22,841,686</b>	<b>\$ 621,053</b>

The accompanying notes are an integral part of this financial statement.

MENARD COUNTY, ILLINOIS

BALANCE SHEET

GOVERNMENTAL FUNDS

NOVEMBER 30, 2011

	General Fund	Liability and Insurance Fund	Emergency Medical Services Fund	Health Department Fund	County Highway Fund	County Motor Fuel Tax Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>								
Cash and certificates of deposit	\$ 1,290,294	\$ 465,015	\$ 445,373	\$ 25,060	\$ 694,722	\$ 336,200	\$ 2,264,744	\$ 5,521,408
Accounts receivable	113,324	-	16,102	169,520	8,263	-	59,831	367,040
Taxes receivable	226,626	-	118,053	-	-	19,800	2,535	367,014
Due from other funds	559,156	20,769	295	-	32,760	-	55,059	668,039
<b>Total assets</b>	<b>\$ 2,189,400</b>	<b>\$ 485,784</b>	<b>\$ 579,823</b>	<b>\$ 194,580</b>	<b>\$ 735,745</b>	<b>\$ 356,000</b>	<b>\$ 2,382,169</b>	<b>\$ 6,923,501</b>
<b>LIABILITIES</b>								
Accounts payable	\$ 33,511	\$ -	\$ 22,985	\$ -	\$ -	\$ 8,827	\$ 88,875	\$ 154,198
Accrued compensation	20,208	-	6,000	10,745	-	-	3,500	40,453
Deferred revenue	3,000	-	-	-	-	-	24,000	27,000
Due to other funds	28,630	-	310,000	154,421	4,810	-	24,570	522,431
<b>Total liabilities</b>	<b>85,349</b>	<b>-</b>	<b>338,985</b>	<b>165,166</b>	<b>4,810</b>	<b>8,827</b>	<b>140,945</b>	<b>744,082</b>
<b>FUND BALANCES</b>								
Nonspendable	526,041	-	-	-	-	-	-	526,041
Restricted for:								
General government	-	-	-	-	-	-	468,905	468,905
Public safety	-	-	240,838	-	-	-	14,254	255,092
Roads and bridges	-	-	-	-	730,935	347,173	814,693	1,892,801
Public health	-	-	-	29,414	-	-	31,865	61,279
Judiciary and court	-	-	-	-	-	-	398,409	398,409
County development	-	-	-	-	-	-	154,971	154,971
Liability and insurance	-	485,784	-	-	-	-	-	485,784
Retirement and fica	-	-	-	-	-	-	203,043	203,043
Public welfare	-	-	-	-	-	-	155,084	155,084
Committed for	-	-	-	-	-	-	-	-
Assigned	60,000	-	-	-	-	-	-	60,000
Unassigned	1,518,010	-	-	-	-	-	-	1,518,010
<b>Total fund balances</b>	<b>2,104,051</b>	<b>485,784</b>	<b>240,838</b>	<b>29,414</b>	<b>730,935</b>	<b>347,173</b>	<b>2,241,224</b>	<b>6,179,419</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,189,400</b>	<b>\$ 485,784</b>	<b>\$ 579,823</b>	<b>\$ 194,580</b>	<b>\$ 735,745</b>	<b>\$ 356,000</b>	<b>\$ 2,382,169</b>	<b>\$ 6,923,501</b>

The accompanying notes are an integral part of this financial statement.

**MENARD COUNTY, ILLINOIS**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS**

**NOVEMBER 30, 2011**

<b>Total fund balances - governmental funds ( page 3 )</b>	<b>\$ 6,179,419</b>
<b>Amounts reported for governmental activities in the statement of net assets are different because -</b>	
<b>The statement of activities includes the net assets of the internal service fund, Self Insurance Fund, because of its reliance on the General Fund for deficit funding.</b>	<b>(78,213)</b>
<b>Inventories of rock, sand, gravel, and other materials used for roads and bridges construction and maintenance have been reported in the statement of net assets and are not reported in the funds as financial resources -</b>	<b>184,725</b>
<b>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of -</b>	
<b>Land</b>	<b>\$ 304,319</b>
<b>Construction in progress</b>	<b>142,000</b>
<b>Buildings and improvements</b>	<b>3,486,114</b>
<b>Equipment</b>	<b>1,919,689</b>
<b>Vehicles</b>	<b>1,456,550</b>
<b>Roads</b>	<b>9,798,094</b>
<b>Bridges</b>	<b>3,298,441</b>
<b>Accumulated depreciation</b>	<b><u>(10,720,958)</u></b>
<b>Total carrying value of capital assets</b>	<b>9,684,249</b>
<b>Some liabilities are not due and payable in the current period and are not reported in the funds. Those liabilities consist of -</b>	
<b>Accounts payable for road and bridge projects and other net items</b>	<b>(195,633)</b>
<b>Long-term debt</b>	<b><u>(84,917)</u></b>
<b>Net assets of governmental activities ( page 1 )</b>	<b><u><u>\$ 15,689,630</u></u></b>

The accompanying notes are an integral part of this schedule.

MENARD COUNTY, ILLINOIS

STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

NOVEMBER 30, 2011

	General Fund	Liability and Insurance Fund	Emergency Medical Services Fund	Health Department Fund	County Highway Fund	County Motor Fuel Tax Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>								
Property taxes	\$ 772,691	\$ 205,653	\$ 321,651	\$ -	\$ 238,003	\$ -	\$ 1,014,642	\$ 2,552,640
Public safety sales tax	-	-	459,899	-	-	-	-	459,899
Federal and State payments	1,170,762	-	47,479	381,480	93,076	367,839	269,209	2,329,845
Fines, fees, forfeitures and licenses	457,842	-	-	98,476	-	-	163,825	720,143
Charges for services	198,838	-	416,443	193,118	367,171	-	107,583	1,283,153
Other	8,307	-	5,193	8,136	-	-	29,681	51,317
Interest	25,340	-	-	181	6,893	198	69	32,681
<b>Total revenues</b>	<b>2,633,780</b>	<b>205,653</b>	<b>1,250,665</b>	<b>681,391</b>	<b>705,143</b>	<b>368,037</b>	<b>1,585,009</b>	<b>7,429,678</b>
<b>EXPENDITURES</b>								
Current:								
General government	971,852	-	-	-	-	-	58,686	1,030,538
Public safety	1,067,206	-	1,149,037	-	-	-	112,419	2,328,662
Roads and bridges	-	-	-	-	577,619	348,764	347,085	1,273,468
Public health	-	-	-	756,291	-	-	18,387	774,678
Judiciary and court	514,155	-	-	-	-	-	68,254	582,409
County development	12,500	-	-	-	-	-	87,049	99,549
Liability and insurance	-	187,678	-	-	-	-	-	187,678
Retirement and Fica	-	-	-	-	-	-	594,997	594,997
Public welfare	-	-	-	-	-	-	73,900	73,900
Debt service:								
Principal retirement	-	-	29,174	-	-	-	-	29,174
Interest and fiscal charges	-	-	2,151	-	-	-	-	2,151
Capital outlay:	30,817	-	41,475	11,079	10,396	-	225,268	319,035
<b>Total expenditures</b>	<b>2,596,530</b>	<b>187,678</b>	<b>1,221,837</b>	<b>767,370</b>	<b>588,015</b>	<b>348,764</b>	<b>1,586,045</b>	<b>7,296,239</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<b>37,250</b>	<b>17,975</b>	<b>28,828</b>	<b>(85,979)</b>	<b>117,128</b>	<b>19,273</b>	<b>(1,036)</b>	<b>133,439</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Contract settlement proceeds	-	-	-	24,649	-	-	-	24,649
Operating transfers in	113,900	-	-	-	-	-	379,044	492,944
Operating transfers (out)	(319,044)	-	-	-	-	-	(173,900)	(492,944)
<b>Total other financing sources and uses</b>	<b>(205,144)</b>	<b>-</b>	<b>-</b>	<b>24,649</b>	<b>-</b>	<b>-</b>	<b>205,144</b>	<b>24,649</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>(167,894)</b>	<b>17,975</b>	<b>28,828</b>	<b>(61,330)</b>	<b>117,128</b>	<b>19,273</b>	<b>204,108</b>	<b>158,088</b>
<b>FUND BALANCES - BEGINNING</b>	<b>2,211,945</b>	<b>467,809</b>	<b>212,010</b>	<b>120,744</b>	<b>613,807</b>	<b>327,900</b>	<b>2,037,116</b>	<b>5,991,331</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(30,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(30,000)</b>
<b>RESIDUAL EQUITY TRANSFERS IN</b>	<b>60,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,000</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 2,104,051</b>	<b>\$ 485,784</b>	<b>\$ 240,838</b>	<b>\$ 29,414</b>	<b>\$ 730,935</b>	<b>\$ 347,173</b>	<b>\$ 2,241,224</b>	<b>\$ 6,179,419</b>

The accompanying notes are an integral part of this financial statement.

MENARD COUNTY, ILLINOIS

RECONCILIATION OF THE CHANGES OF FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES

NOVEMBER 30, 2011

Net changes in funds balances - total governmental funds ( page 5 ) \$ 188,088

Amounts reported for governmental activities in the statement of activities  
are different because -

The statement of activities includes the net transactions of the internal service fund,  
Self Insurance Fund, because of its reliance on the General Fund for deficit funding. (78,213)

Certain fund revenues are recognized only when cash is received during the year  
or soon after the end of year. For the government wide financial statements,  
revenues are recognized during the year regardless of when the cash is received. (117,811)

Debt proceeds are reported as financing sources in governmental funds and thus  
contribute to the change in fund balance. In the statement of net assets,  
however, issuing debt increases long-term liabilities and does not affect the  
statement of activities. Similarly, repayment of debt principal is an expenditure  
in the governmental funds but reduces the liability in the statement of net assets.  
(See Note 7)

Repayments:

Installment contracts for EMS equipment purchases 29,174

Capital outlays are reported as expenditures in governmental funds. However  
in the statement of activities, the cost of the capital assets is allocated over their  
estimated useful lives as depreciation expense.  
(See Note 5)

Capital outlays	319,035
Depreciation expense	<u>(536,104)</u>

Excess of depreciation expense over capital outlay (217,069)

Some costs do not require the use of current financial resources  
and are not reported as expenditures in the fund financial statements  
but must be included in the government-wide financial statements  
as expenses -

Decrease in inventories of rock, sand, and gravel (31,275)

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Change in net assets of governmental activities ( page 2 ) \$ (227,106)

The accompanying notes are an integral part of this schedule.

**MENARD COUNTY, ILLINOIS**

**PROPRIETARY FUNDS**

**STATEMENT OF NET ASSETS**

**NOVEMBER 30, 2011**

	Enterprise Funds				Internal Service Fund
	Sunny Acres Nursing Home Fund Operations Component	Capital Reserve Component	Countryside Estates of the County Fund	Total	Self Insurance Fund
<b>ASSETS</b>					
Cash	\$ 310,307	\$ -	\$ 287,671	597,978	5,728
Certificates of deposit	358,500	-	175,000	533,500	-
Accounts receivable, net	1,371,894	-	794	1,372,688	36,059
Due from other funds	3,250	-	-	3,250	-
Inventories	18,000	-	3,517	21,517	-
Restricted assets:					
Cash	-	331,297	-	331,297	-
Certificates of deposit		1,155,605	-	1,155,605	-
Accounts receivable, net	858,356	-	-	858,356	-
Total current assets	2,920,307	1,486,902	466,982	4,874,191	41,787
<b>CAPITAL ASSETS - NET</b>	<u>1,691,872</u>	<u>-</u>	<u>1,251,683</u>	<u>2,943,555</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>4,612,179</u>	<u>1,486,902</u>	<u>1,718,665</u>	<u>7,817,746</u>	<u>41,787</u>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	197,912	-	8,723	206,635	70,000
Medicaid provider assessment	139,349	-	-	139,349	-
Accrued compensation	155,429	-	-	155,429	-
Residents' prepayments, overpayments, and deposits	110,642	-	7,250	117,892	-
Deferred revenue	-	-	-	-	-
Other	26,836	-	-	26,836	-
Due to other funds	17,874	1,675	-	19,549	50,000
Total current liabilities	<u>648,042</u>	<u>1,675</u>	<u>15,973</u>	<u>665,690</u>	<u>120,000</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	1,691,872	-	1,251,683	2,943,555	-
Other restricted	927,763	1,485,227	-	2,412,990	(78,213)
Unrestricted	<u>1,344,502</u>	<u>-</u>	<u>451,009</u>	<u>1,795,511</u>	<u>-</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 3,964,137</u>	<u>\$ 1,485,227</u>	<u>\$ 1,702,692</u>	<u>\$ 7,152,056</u>	<u>\$ (78,213)</u>

The accompanying notes are an integral part of this financial statement.

**MENARD COUNTY, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2011**

	Enterprise Funds				Internal Service Fund
	Sunny Acres Nursing Home Fund Operations Component	Capital Reserve Component	Countryside Estates of the County Fund	Total Enterprise Funds	Self Insurance Fund
NET OPERATING REVENUES	\$ 6,180,215	\$ -	\$ 418,438	\$ 6,598,653	\$ 585,665
OPERATING EXPENSES					
Salaries and wages	3,064,826	-	111,868	3,176,694	-
Contractual labor	-	-	-	-	-
Retirement costs	482,619	-	8,030	490,649	-
Medical and nursing supplies	329,858	-	-	329,858	-
Food and dietary supplies	299,471	-	47,272	346,743	-
Therapy costs	598,816	-	-	598,816	-
Insurance and risk management	322,604	-	29,165	351,769	645,120
Depreciation	176,532	-	87,400	263,932	-
Utilities	177,622	-	33,680	211,302	-
Professional fees	62,305	1,080	2,500	65,885	-
Maintenance and repairs	64,698	-	45,783	110,481	-
Housekeeping and laundry	58,914	-	1,091	60,005	-
Advertising	34,797	-	-	34,797	-
Provision for bad debts	-	-	-	-	-
Administration and other costs	112,958	-	5,681	118,639	18,837
Total operating expenses	5,786,020	1,080	372,470	6,159,570	663,957
OPERATING INCOME (LOSS)	394,195	(1,080)	45,968	439,083	(78,292)
NON-OPERATING REVENUES (EXPENSES)					
Contributions	22,516	-	-	22,516	-
Capital grant	69,407	-	-	69,407	-
Interest income	9,799	9,042	2,272	21,113	79
Interest expense	-	-	-	-	-
Non-operating revenues (expenses)	101,722	9,042	2,272	113,036	79
NET INCOME (LOSS)	495,917	7,962	48,240	552,119	(78,213)
TRANSFERS IN	419,598	-	-	419,598	-
TRANSFERS IN (OUT)	(60,000)	(188,633)	(230,965)	(479,598)	-
NET TRANSFERS IN (OUT)	359,598	(188,633)	(230,965)	(60,000)	-
CHANGE IN NET ASSETS	855,515	(180,671)	(182,725)	492,119	(78,213)
TOTAL NET ASSETS - BEGINNING	3,108,622	1,665,898	1,885,417	6,659,937	-
TOTAL NET ASSETS - ENDING	\$ 3,964,137	\$ 1,485,227	\$ 1,702,692	\$ 7,152,056	\$ (78,213)

The accompanying notes are an integral part of this financial statement.

MENARD COUNTY, ILLINOIS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED NOVEMBER 30, 2011

	Enterprise Funds				Internal Service Fund
	Sunny Acres Nursing Home Fund Operations Component	Capital Reserve Component	Countryside Estates of the County Fund	Total	Self Insurance Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Net cash received for resident care and health care	\$ 5,161,489	\$ -	\$ 417,895	\$ 5,579,384	\$ 585,665
Payments to suppliers and others	(2,639,623)	(1,080)	(171,280)	(2,811,983)	(706,825)
Payments to employees	(3,085,696)	-	(111,868)	(3,197,564)	-
Net cash provided (used) by operating activities	(563,830)	(1,080)	134,747	(430,163)	(121,160)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Contributions received	22,516	-	-	22,516	-
Net cash provided (used) by non-capital operating activities	22,516	-	-	22,516	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Certificates of deposit maturities	358,500	1,155,605	175,000	1,689,105	-
Certificates of deposit purchased	(358,500)	(1,155,605)	(175,000)	(1,689,105)	-
Advance from General Fund	-	-	-	-	-
Residents' prepayments, overpayments, and deposits	(1)	-	(12,851)	(12,852)	-
Transfers in	419,598	-	-	419,598	-
Transfers out	(60,000)	(188,633)	(230,965)	(479,598)	-
Capital asset acquisitions	(284,416)	-	-	(284,416)	-
Net cash provided (used) by capital and related financing activities	75,181	(188,633)	(243,816)	(357,268)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	12,859	9,042	2,648	24,549	79
Net cash provided (used) by investing activities	12,859	9,042	2,648	24,549	79
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(453,274)	(180,671)	(106,421)	(740,366)	(121,081)
<b>CASH AND CASH EQUIVALENTS -BEGINNING OF YEAR</b>	<u>763,581</u>	<u>511,968</u>	<u>394,092</u>	<u>1,669,641</u>	<u>126,809</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 310,307</u>	<u>\$ 331,297</u>	<u>\$ 287,671</u>	<u>\$ 929,275</u>	<u>\$ 5,728</u>
<b>NON-CASH CAPITAL AND FINANCING ACTIVITIES</b>					
Transfers to general fund included in due to other funds	\$ 5,000	\$ -	\$ -	\$ 5,000	\$ -
Capital asset acquisitions included in accounts payable	\$ 3,792	\$ -	\$ -	\$ 3,792	\$ -

The accompanying notes are an integral part of this financial statement.



MENARD COUNTY, ILLINOIS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED NOVEMBER 30, 2011  
RECONCILIATION OF OPERATING INCOME  
TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	Enterprise Funds				Internal
	Sunny Acres Nursing Home Fund Operations Component	Capital Reserve Component	Countryside Estates of the County Fund	Total	Service Fund Self Insurance Fund
OPERATING INCOME (LOSS)	\$ 394,195	\$ (1,080)	\$ 45,968	\$ 439,083	\$ (78,292)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Depreciation	176,532	-	87,400	263,932	(36,059)
(Increase) decrease in accounts receivable	(1,214,569)	-	(543)	(1,215,112)	-
(Increase) decrease in due from other County Funds	(317)	-	-	(317)	-
(Decrease) increase in accounts payable	98,606	-	1,922	100,528	(6,809)
(Decrease) increase in deferred revenue	(1,224)	-	-	(1,224)	-
(Decrease) increase in accrued compensation	(20,870)	-	-	(20,870)	-
(Decrease) increase in other liabilities	(4,519)	-	-	(4,519)	-
(Decrease) increase in due to other County Funds	8,336	-	-	8,336	-
Net cash provided by operating activities	<u>\$ (563,830)</u>	<u>\$ (1,080)</u>	<u>\$ 134,747</u>	<u>\$ (430,163)</u>	<u>\$ (121,160)</u>

The accompanying notes are an integral part of this financial statement.

**MENARD COUNTY, ILLINOIS**

**STATEMENT OF FIDUCIARY NET ASSETS**

**FIDUCIARY FUNDS**

**NOVEMBER 30, 2011**

	<b>Private-purpose Trust Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash	\$ 202,838	\$ 663,828
Receivables	5,924	45,503
Due from other funds	475	11,297
Capital assets, net	71,568	-
Other	-	70,000
<b>Total assets</b>	<b>280,805</b>	<b>790,628</b>
<b>LIABILITIES</b>		
Accounts payable	1,000	9,798
Due to road districts	-	457,356
Due to taxing districts	-	141
Due to others	-	232,252
Due to other funds	-	91,081
<b>Total liabilities</b>	<b>1,000</b>	<b>790,628</b>
<b>NET ASSETS</b>		
Held in trust for -		
Individuals, organizations, and other governments	\$ 279,805	\$ -

The accompanying notes are an integral part of this financial statement.

**MENARD COUNTY, ILLINOIS**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS**

**YEAR ENDED NOVEMBER 30, 2011**

	<u>Private-purpose Trust Funds</u>
<b>ADDITIONS</b>	
Fines, fees, and forfeitures	\$ 9,567
Charges for services	66,851
Contributions	-
Other	2,816
Interest	525
	<u>79,759</u>
<b>DEDUCTIONS</b>	
County law library	4,069
Investigations and training	-
Operating expenses	28,021
Depreciation	19,295
	<u>51,385</u>
Change in net assets	28,374
<b>NET ASSETS-BEGINNING</b>	<u>251,431</u>
<b>NET ASSETS-ENDING</b>	<u><u>\$ 279,805</u></u>

**The accompanying notes are an integral part of this financial statement.**

## **MENARD COUNTY, ILLINOIS**

### **NOTES TO BASIC FINANCIAL STATEMENTS**

*For the year ended November 30, 2011*

#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **A. GENERAL STATEMENT**

The accounting and reporting policies of Menard County, Illinois (County) relating to the funds included in the accompanying *basic financial statements* (financial statements) conform to accounting principles generally accepted in the United States of America that are applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standard Board (GASB), the American Institute of Certified Public Accountants in its publication, *Audits of State and Local Governmental Units*, and certain publications of the Financial Accounting Standards Board. As allowed in Section P80 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, the County has elected not to apply Financial Accounting Standards Board statements and interpretations, Accounting Principles Board opinions, and accounting research bulletins of the Committee of Accounting Procedure issued after November 30, 1989.

##### **B. FINANCIAL REPORTING ENTITY**

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The County's financial statements include the accounts of all County operations. The criteria for including organizations as component units within the County's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the County holds the corporate powers of the organization
- the County appoints a voting majority of the organization's board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the County
- there is fiscal dependency by the organization on the County

Three entities have been considered for inclusion in the County's financial statements. An overview of each entity and the consideration of financial accountability are discussed below. Management believes that only one of the County's component units, the *Menard County 911 System* should be included in the County's financial statements as a discretely presented component unit. A "discrete presentation" displays the component unit's financial information in a separate column(s) apart from the primary government. The account balances and transactions of the other component unit, the *Menard County Health Department* have been blended into the County's financial statements. "Blending" is a process by which the account balances and transactions of the component unit are reported in a manner similar to the account balances and transactions of the primary government entity.

## **MENARD COUNTY, ILLINOIS**

### **Notes to Basic Financial Statements - Continued**

**Menard County 911 System-** Residents of Menard County established the County's emergency telephone system in November 2002 when a referendum was approved authorizing the Menard County Board of Commissioners to impose a \$3.25 monthly surcharge on the billed subscribers of 911 network connection telecommunications carriers who provide such services to their Menard County customers. The County has established the *Menard County Emergency Telephone Systems Board*. The Board's power and duties have been defined by county ordinance and include planning the 911 system; coordinating, supervising, and implementation; fiscal responsibilities; and personnel decision-making. The financial statements of the *Menard County 911 System* are included in the County's financial statements because of the degree of physical control exercised by the County; the Menard County Board of Commissioners appoints all of the Board's members. It is presented as a "discretely presented component unit" to emphasize that it is a component unit legally separate from the County. Separate audited financial statements are not prepared.

**Menard County Health Department-** The account balances and transactions of the *Menard County Health Department* are included in the County's financial statements because it is fiscally dependent on the County. Separate audited financial statements are not prepared.

**Logan-Mason-Menard Educational Service Region-** the cost of operating the educational service region is generally apportioned among the three counties, Logan, Mason, and Menard based on each county's aggregate equalized assessed valuation used for property tax levies. Separate audited financial statements are on file with the Menard County Clerk. Operating surpluses and deficits partially accrue to Menard County; however, because Logan County provides more than fifty percent of the Region's support, the accounts of the Region are not included in Menard County's financial statements.

The County's Board of Commissioners appoints the board members of several organizations in the County. These organizations do not have a financial benefit/burden relationship with the County and are not required to be included in the County's financial statements.

#### **C. BASIS OF PRESENTATION**

The *government-wide financial statements* (the *statement of net assets* and the *statement of activities*) report financial information on all of the County's activities, except for fiduciary activities. Eliminations have been made to eliminate the double counting of certain internal transactions for reimbursements of insurance costs and fuel costs. *Governmental activities*, which are primarily supported by taxes, intergovernmental revenues, and other non-exchange transactions, are separately reported from *business-type activities*, which are financed in whole or in part by fees charged to external parties.

The *statement of net assets* presents the County's assets and liabilities with the difference between the two reported as net assets in three distinct categories -

**Invested in capital assets, net of related debt** – consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt attributable to the acquisition, construction, or improvement of those assets.

**Restricted net assets** – result from limitations imposed on their use either through enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**MENARD COUNTY, ILLINOIS**  
**Notes to Basic Financial Statements - Continued**

**Unrestricted net assets** – are the net assets that remain after the County's net assets have been classified between invested in capital assets net of related debt and restricted net assets.

It is the County's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

*The statement of activities* demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues consists of 1) fees, fines, and charges paid by the recipients of goods and services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The County segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The *fund financial statements* provide information about these funds, including its fiduciary funds and blended component units. Separate fund financial statements are provided for each fund category – *governmental, proprietary, and fiduciary*. The emphasis on fund financial statements is on major governmental and proprietary funds (*enterprise and internal service*) each displayed in a separate column. All remaining governmental and proprietary funds are aggregated and presented in a single column as *non-major funds*.

*Fiduciary funds* are excluded from the *government-wide* financial statements because those funds' assets are held by the County in a trustee or agency capacity for others and therefore cannot be used to support the County's programs.

*Governmental funds* are those funds through which most governmental programs are financed. The measurement focus of governmental funds is on the sources, uses and balances of current financial resources. The County has presented the following major governmental funds –

**General Fund** – This is the County's main operating fund. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other revenues that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs not disbursed through other funds are disbursed from the *General Fund*.

**Liability and Insurance Fund** – This fund is used to account for the annual tax for the payment of the *governmental activities'* property and casualty risk managements, including funding of self insured unemployment compensation costs.

**Emergency Medical Services Fund** – This fund is used to account for the operations related to providing emergency medical services throughout the County, primarily ambulance service. This includes the levy and collection of the annual property tax for ambulance service, all of the public safety sales tax revenues, and the user charges collected to fund these services.

**Health Department Fund** – This fund is used to account for all of the financial resources and expenditures for operating the County's Health Department. Revenues primarily consist of charges for services provided through the Department's home health division and public health and other type grants.

**MENARD COUNTY, ILLINOIS**

**Notes to Basic Financial Statements - Continued**

**County Highway Fund** – This fund is used to account for the levy and collection of the annual property tax for the purpose of maintaining, and improving the County's roads. It is also used to account for other financial resources that are not restricted by law or contractual agreement to some other County highway fund.

**County Motor Fuel Tax Fund** – This fund is used to account for the receipt of motor fuel taxes allotted to the County to be retained and used for the construction and maintenance of State and County roads and bridges and other projects. All expenditures from this fund require the approval of the Illinois Department of Transportation and the County's Board of Commissioners.

*Proprietary funds* are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position, and cash flow. All assets and liabilities are included on the *statement of net assets*. The County has presented the following major *proprietary funds* –

**Sunny Acres Nursing Home Fund** – This *enterprise fund* is used to account for the operations of the County's nursing home, *Sunny Acres Nursing Home*.

**Countryside Estates of the County Fund** – This *enterprise fund* is used to account for the operations of the County's independent living facility, *Countryside Estates of the County*.

**Self Insurance Fund** – This *internal service fund* is used to account for all the monetary and economic aspects of providing group health insurance type benefits to eligible and participating County employees.

These three funds are the County's only *proprietary funds*, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public and, internally, on a continuing basis, be financed or recovered through charges for those goods or services.

*Proprietary funds* distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and delivering goods in connection with the proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies, depreciation on capital assets and other costs. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The County uses both *agency* and *private purpose trust funds* for its *fiduciary activities*. *Agency funds* are used to account for property taxes, fees, fines, and other monies collected on the behalf of other governments, and other entities and individuals. *Private purpose trust funds* are used to report all other trust arrangements under which principal and income benefit other governments, and individuals. Separate *fund financial statements* are provided for the *fiduciary funds* even though they are excluded from the *government-wide financial statements*.

**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial

**MENARD COUNTY, ILLINOIS**  
**Notes to Basic Financial Statements – Continued**

statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The *government-wide financial statements* and *fund financial statements* for the *proprietary funds* are reported using the economic resources measurement focus and accrual basis of accounting.

The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included in the balance sheet and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time the liability is incurred.

*Governmental funds'* financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified basis of accounting revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers property taxes and sales taxes as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred.

The *Emergency Medical Services Fund*, the *Health Department Fund*, and certain other *governmental funds* report using full accrual basis of accounting.

Revenues susceptible to accrual are property taxes, sales taxes, licenses and fees, charges for service, interest income and intergovernmental revenues. All other governmental fund type revenues are generally recognized when received.

**E. BUDGETS AND BUDGETARY ACCOUNTING**

Budget amounts are determined on a basis consistent with generally accepted accounting principles for the specific fund types.

Appropriation balances lapse at year-end; consequently, the County does not utilize encumbrance accounting, a system by which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation.

**F. CASH AND CASH EQUIVALENTS**

The County Treasurer consolidates the cash for most of the *governmental funds* into two cash management pools in order to maximize interest income. Excess cash is invested in certificates of deposits with original maturities of one year or less with local financial institutions. Each fund whose monies are deposited in the pooled accounts has equity therein. This equity is available on demand and is considered to be "cash equivalents" for financial reporting purposes. The two cash pools are maintained within the *General Fund* and in the *County Highway Fund*. Interest earned from the pooled accounts is retained by these two funds as an administrative cost recovery.

The County considers *cash and cash equivalents* in proprietary funds to be cash on hand and demand deposits. In addition, because the two cash management pools are sufficiently liquid to



**MENARD COUNTY, ILLINOIS**

**Notes to Basic Financial Statements - Continued**

permit the withdrawal of cash at any time without prior notice or penalty, if any, the funds' equity in the cash management pools is also considered to be the equivalent of cash.

**G. INVESTMENTS**

*Investments*, if any, are reported at cost, which approximates fair value.

**H. RECEIVABLES**

*Governmental Activities' Accounts receivable* for services provided are reported net of related allowances for doubtful accounts and contractual adjustments for certain health department and emergency medical services. Contractual adjustments occur in those situations where the payment rate from third party payers is less than the rate charged by the County for the respective services.

*Business-type Activities' accounts receivable* for services provided are reported net of related allowances for doubtful accounts and contractual adjustments, if any.

*Health related service revenues* are reported at estimated net realizable amounts from individuals, third -party payers, and others for services rendered.

**I. INVENTORIES**

*Inventories* are accounted for at invoice cost determined by the first - in first - out method. The purchase method is used to account for materials and supplies. The costs of materials and supplies are initially recorded as expenses with the recognition, as inventories, of significant amounts of unused materials and supplies on hand at year-end.

**J. PREPAID EXPENSES**

*Prepaid expenses* are generally for payments made in the current year for services or benefits occurring in a subsequent year and are reported with *other assets*.

**K. INTERFUND RECEIVABLES AND PAYABLES**

Outstanding balances between funds are eliminated within the *governmental activities* and the *business-type activities* columns for presentation of the *government-wide financial statements*. Any residual balances outstanding between the *governmental activities* and the *business-type activities* are reported as *internal balances*.

The outstanding balances between funds are not eliminated for presentation of the *fund financial statements* where they are included as *due from/due to other funds*.

**L. RESTRICTED ASSETS**

*Restricted assets* primarily include cash and certificates of deposit that have limitations placed on their use through resolution adopted by the County or through external restriction imposed by creditors, grantors, or laws, or regulations of other governments. It includes resources such as the designated earnings of the County's *business-type activities* derived from past participation in an alternate Medicaid reimbursement methodology with the State of Illinois Department of

**MENARD COUNTY, ILLINOIS**  
**Notes to Basic Financial Statements - Continued**

Healthcare and Family Services. Also included are the assets restricted for payment of self insurance claims for employee medical and hospitalization benefits.

**M. CAPITAL ASSETS**

*Capital assets*, which include property, plant, equipment, and infrastructure assets, are reported in the applicable *governmental* and *business-type activities* in the *government-wide financial statements* and in the *fund financial statements* for the *proprietary funds*.

All capital assets are valued at historical costs or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Generally, assets capitalized have an original cost of \$1,000 or more and an estimated useful life of more than three years.

Property, plant, and equipment and infrastructure assets are depreciated using the straight-line method over the following estimated useful lives –

<u>Assets</u>	<u>Years</u>
<i>Buildings and improvements</i>	<i>10-40</i>
<i>Equipment</i>	<i>5-20</i>
<i>Vehicles</i>	<i>4-7</i>
<i>Roads</i>	<i>50</i>
<i>Bridges</i>	<i>75</i>

**N. DEFERRED REVENUE**

Revenue recognition for federal and state awards does not occur until the eligible costs attributable to the awards have been incurred. Excess amounts are deferred.

**O. ACCRUED ABSENCES**

County employees may accumulate earned but unused vacation pay benefits. Certain vacation benefits are included in accrued compensation for both the *governmental* and *business-type activities*.

**P. LONG-TERM OBLIGATIONS**

Long-term debt is reported as liabilities in the applicable *governmental* or *business-type activities* and *proprietary funds*' balance sheet. Bond issuance costs are deferred and amortized over the term of the related debt and are included in *other assets*.

Debt proceeds are reported as *other financing sources* for governmental funds with debt service funds created and used to account for the servicing of the long-term obligations.

**Q. TRANSACTIONS BETWEEN FUNDS**

**MENARD COUNTY, ILLINOIS**  
**Notes to Basic Financial Statements – Continued**

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both *governmental* and *proprietary funds*.

**R. FUND BALANCES FOR GOVERNMENTAL FUNDS**

Effective December 1, 2010, the County and its component units adopted the provisions of *Governmental Accounting Standards Board Statement Number 54, Fund Balance Reporting and Governmental Fund Type Definition*. The objective of the statement is to enhance the usefulness of fund balance information by providing fund balance classifications that can be more consistently applied and by clarifying existing *governmental fund type* definitions. The County has evaluated the use of the *special revenue funds* under the criteria set forth in statement 54 and has determined there is no change needed.

As prescribed by statement 54, *governmental funds* report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. As of November 30, 2011, fund balance for governmental funds consist of the following –

**Nonspendable Fund Balance** – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes assets that are not expected to be converted into cash anytime soon for example: inventories, prepaid amounts, and long term loans and advances receivable.

**Restricted Fund Balance** – includes amounts that are restricted for specific purposes stipulated by external resources providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

**Committed Fund Balance** – includes amounts that can only be used for the specific purposes determined by a formal action of the County’s highest level of decision making authority, the Board of County Commissioners. Commitments may be changed or lifted only by the County taking the same formal action that imposed the constraint originally (for example: resolution and ordinance).

**Assigned Fund Balance** – includes amounts intended by the County for specific purposes that are neither restricted nor committed. Intent is expressed by the Board of Commissioners to which the assigned amounts are to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) other than the General Fund that are not classified as nonspendable, restricted, or committed.

**Unassigned Fund Balance** – the residual classification for the General Fund and includes all amounts not contained in other classifications. *Governmental funds* report residual negative balances as unassigned fund balance.

In circumstances when an expenditure is made for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

**S. ACCOUNTING ESTIMATES**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and

**MENARD COUNTY, ILLINOIS**  
**Notes to Basic Financial Statements – Continued**

assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

**2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

The County generally follows these procedures in establishing its budget –

1. In October of each year, the County Board of Commissioners develops a proposed operating budget for the fiscal year commencing the following December 1. The budget includes proposed expenditures and the means of financing them for virtually all of the County's individual funds.
2. A copy of the proposed budget is placed on file with the County Clerk for public inspection.
3. Each year the budget is adopted by resolution of the County Board of Commissioners.

After adoption of the budget, further additional appropriations are prohibited for appropriated funds except in the event of an emergency. Transfers from one appropriation of any one fund to another appropriation of the same fund, not affecting the total amount appropriated, may be made at any meeting of the County Board by a vote of the members.

Formal budgetary integration is employed during the year as a management control device. Appropriation balances lapse at year-end. The following governmental funds had an excess of actual expenditures over budgeted expenditures for the year ended November 30, 2011.

	<i>Expenditures</i>			
		<i>Actual</i>	<i>Budget</i>	<i>Excess</i>
<i>Major Funds</i>				
<i>Health Department Fund</i>	\$	767,370	755,069	12,301
<i>Nonmajor Funds</i>				
<i>Retirement and Fica Fund</i>	\$	594,997	\$ 555,887	\$ 39,110
<i>Tuberculosis Fund</i>	\$	18,387	\$ 8,525	\$ 9,862
<i>Animal Control Fund</i>	\$	101,269	\$ 95,339	\$ 5,930
<i>Senior Transport Fund</i>	\$	36,776	\$ 33,761	\$ 3,015
<i>Road Repair and Maintenance Fund</i>	\$	131,748	104,750	\$ 26,998
<i>Court Services Fund</i>	\$	38,775	37,000	1,775
<i>Emergency Relief Fund</i>	\$	7,001	6,023	978
<i>Internal service fund</i>				
<i>Self Insurance fund</i>		663,957	607,532	56,425

None of the County's funds had a deficit fund balance at November 30, 2011, except for the *Self Insurance Fund*, which had a deficit fund balance of \$78,213. Management expects that this deficit condition for the risk retention aspects of self funding group medical and hospitalization type

**MENARD COUNTY, ILLINOIS**  
**Notes to Basic Financial Statements – Continued**

benefits for eligible and participating County employees will be corrected during the year ending November 30, 2012.

**3. DEPOSITS AND INVESTMENTS**

State statutes authorize the types of investments the County may own and the financial institutions eligible to receive County deposits. This includes commercial banks, obligations of the United States Treasury and United States Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements subject to certain limitations, commercial paper rated within the three highest classifications by at least two standard rating services, Metropolitan Investment Fund, and the Illinois Funds Investment administered by the Treasurer of the State of Illinois. The County has approved the County treasurer's investment policy. It is consistent with requirements of State statutes and strives to minimize the level of interest rate risk as well as the overall amount of credit risk. It is the policy and practice of the County treasurer to invest idle public funds in interest bearing accounts with local financial institutions and the Illinois Funds. Amounts on deposit with the local financial institutions in excess of insured limits must be entirely collateralized with appropriate investment securities, and the collateralization recorded by the respective financial institution's safekeeping agents for its investments securities.

At November 30, 2011, all of the of the County and its component units' bank deposits, were entirely insured and or collateralized by securities held by the pledging financial institutions' safekeeping agents in the name of the County and or its component units.

The County had \$1,048,335 on deposit with the Illinois Funds Investment Pool at November 30, 2011. This deposit is not categorized because it is not evidenced by securities that exist in physical or book entry form. The Illinois Auditor General audits the financial statements for the Illinois Funds' Investment Pool and performs other oversight functions.

**MENARD COUNTY, ILLINOIS**

**Notes to Basic Financial Statements – Continued**

**4. ACCOUNTS and TAXES RECEIVABLE**

Accounts receivable for the County's *governmental activities* at November 30, 2011 are as follows -

	<i>General Fund</i>	<i>Emergency Medical Services Fund</i>	<i>Health Department Fund</i>	<i>County Highway Fund</i>	<i>Other nonmajor Governmental Funds</i>	<i>Total Governmental Activities</i>
<i>Housing federal Prisoners</i>	28,466	-	-	-	-	28,466
<i>Salary reimbursements, State of Illinois</i>	60,476	-	-	-	-	60,476
<i>Construction costs, State of Illinois</i>	-	-	-	7,713	57,985	65,698
<i>Grants, State of Illinois</i>	-	-	85,108	-	-	85,108
<i>Salary reimbursements, ETSB 911</i>	6,488	-	-	-	-	6,488
<i>Medicare</i>	-	30,446	139,278	-	-	169,724
<i>Medicaid</i>	-	123,363	25,085	-	-	148,448
<i>Insurance</i>	-	53,177	29,835	-	-	83,012
<i>Individuals</i>	-	49,858	-	-	-	49,858
<i>Other</i>	14,430	-	-	3,715	1,842	19,987
<i>Interest</i>	3,464	-	14	550	4	4,032
<i>Totals</i>	113,324	256,844	279,320	11,978	59,831	721,297
<i>Less -</i>						
<i>Allowance for doubtful accounts</i>	-	(79,864)	(88,800)	(3,715)	-	(172,379)
<i>Allowance for contractual adjustments</i>	-	(160,878)	(21,000)	-	-	(181,878)
<i>Net</i>	113,324	16,102	169,520	8,263	59,831	367,040

Medicaid amounts are collected from the State of Illinois and are usually in arrears several months. For health related services, provided through the County's *governmental activities*, payment rates established by State and Federal legislation and contractual arrangements with other third party payers have been and are primarily prospective, with the intent of establishing payment rates that will not change before the period for which they will apply.

**MENARD COUNTY, ILLINOIS****Notes to Basic Financial Statements – Continued****4. ACCOUNTS and TAXES RECEIVABLE - continued**

Accounts receivable for the County's *Business-type activities* at November 30, 2011 are as follows –

	<i>Sunny Acres</i>	<i>Countryside</i>	<i>Total</i>
	<i>Nursing Home</i>	<i>Estates of the</i>	<i>Business-type</i>
	<i>Fund</i>	<i>County Fund</i>	<i>Activities</i>
<i>Individuals</i>	48,268	543	48,811
<i>Medicare</i>	501,177	-	501,177
<i>Medicaid</i>	1,710,677	-	1,710,677
<i>Insurance</i>	100,062	-	100,062
<i>Interest</i>	1,812	251	2,063
<i>Grant</i>	69,407	-	69,407
<i>Totals</i>	2,431,403	794	2,432,197
<i>Less -</i>			
<i>Allowance for</i>			
<i>Doubtful</i>			
<i>Accounts</i>	(141,083)	-	(141,083)
<i>Allowance for</i>			
<i>Contractual</i>			
<i>adjustments</i>	(60,070)	-	(60,070)
<i>Net</i>	2,230,250	794	2,231,044

For health related services, provided through the County's *business-type activities*, payment rates established by State and Federal legislation and contractual arrangements with other third party payers have been and are primarily prospective, with the intent of establishing payment rates that will not change before the period for which they will apply.

Taxes receivable for the County's *governmental activities* at November 30, 2011 are as follows -

<b>Tax</b>	<b>General Fund</b>	<b>Emergency Medical Services Fund</b>	<b>County Motor Fuel Tax Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Activities</b>
<i>Sales</i>	50,064	118,053	-	2,535	170,652
<i>Use</i>	14,632	-	-	-	14,632
<i>Income</i>	161,930	-	-	-	161,930
<i>Motor fuel</i>	-	-	19,800	-	19,800
<i>Totals</i>	226,626	118,053	19,800	2,535	367,014

**MENARD COUNTY, ILLINOIS**

**Notes to Basic Financial Statements – Continued**

**5. CAPITAL ASSETS**

Depreciation expense for the *governmental activities'* functions was as follows -

<i>General government</i>	\$	95,997
<i>Public safety</i>		111,580
<i>Roads and bridges</i>		262,660
<i>Public health</i>		18,377
<i>Judiciary and court</i>		29,301
<i>Public welfare</i>		16,189
<i>Total depreciation expense</i>	\$	536,104

Depreciation expense for the *business-type activities'* was as follows.

<i>Sunny Acres Nursing Home</i>	\$	176,532
<i>Countryside Estates of the County</i>		87,400
<i>Total depreciation expense</i>	\$	263,932

Depreciation expense for the *Menard County 911 System* was \$100,830.

Capital assets activity for *governmental activities* for the year ended November 30, 2011 is as follows -

		<i>December 1</i>		<i>Increases</i>		<i>Decreases</i>		<i>November 30</i>
<i>Governmental Activities:</i>								
<i>Land</i>	\$	250,000	\$	54,319	\$	-	\$	304,319
<i>Construction in progress</i>		100,000		42,000		-		142,000
<i>Total assets not being depreciated</i>		350,000		96,319		-		446,319
<i>Capital assets being depreciated</i>								
<i>Buildings and improvements</i>		3,362,168		123,946		-		3,486,114
<i>Equipment</i>		1,882,314		40,770		(3,395)		1,919,689
<i>Vehicles</i>		1,463,850		58,000		(65,300)		1,456,550
<i>Roads</i>		9,798,094		-		-		9,798,094
<i>Bridges</i>		3,298,441		-		-		3,298,441
<i>Total assets being depreciated</i>		19,804,867		222,716		(68,695)		19,958,888
<i>Less accumulated depreciation for</i>								
<i>Buildings and improvements</i>		(2,187,682)		(142,682)		-		(2,330,364)
<i>Equipment</i>		(1,552,133)		(114,388)		(3,395)		(1,663,126)
<i>Vehicles</i>		(1,090,717)		(105,323)		(65,300)		(1,130,740)
<i>Roads</i>		(4,579,631)		(131,647)		-		(4,711,278)
<i>Bridges</i>		(843,386)		(42,064)		-		(885,450)
<i>Total accumulated depreciation</i>		(10,253,549)		(536,104)		(68,695)		(10,720,958)
<i>Total capital assets being depreciated, net</i>		9,551,318		(313,388)		-		9,237,930
<i>Governmental activities, capital assets, net</i>	\$	9,901,318	\$	(217,069)	\$	-	\$	9,684,249



**MENARD COUNTY, ILLINOIS**  
**Notes to Basic Financial Statements – Continued**

**5. CAPITAL ASSETS - continued**

Capital assets activity for *business-type activities* for the year ended November 30, 2011 is as follows –

	December 1	Increases	Decreases	November 30
<i>Business-type Activities:</i>				
<i>Total assets not being depreciated</i>	\$ -	\$ -	\$ -	\$ -
<i>Capital assets being depreciated</i>				
<i>Buildings and improvements</i>	6,167,715	177,475	-	6,345,190
<i>Equipment and vehicles</i>	1,291,229	110,733	-	1,401,962
<i>Total assets being depreciated</i>	7,458,944	288,208	-	7,747,152
<i>Less accumulated depreciation for</i>				
<i>Buildings and improvements</i>	(3,494,619)	(215,445)	-	(3,710,064)
<i>Equipment</i>	(1,045,046)	(48,487)	-	(1,093,533)
<i>Total accumulated depreciation</i>	(4,539,665)	(263,932)		(4,803,597)
<i>Total capital assets being depreciated, net</i>	2,919,279	24,276	-	2,943,555
<i>Business-type activities, capital assets, net</i>	\$ 2,919,279	\$ 24,276	-	2,943,555

Capital assets activity for the enterprise funds for the year ended November 30, 2011 is as follows –

	December 1	Increases	Decreases	November 30
<i>Sunny Acres Nursing Home:</i>				
<i>Capital assets being depreciated</i>				
<i>Buildings and improvements</i>	\$ 3,791,589	\$ 177,475	\$ -	\$ 3,969,064
<i>Equipment and vehicles</i>	1,199,467	110,733	-	1,310,200
<i>Total assets being depreciated</i>	4,991,056	288,208	-	5,279,264
<i>Less accumulated depreciation for</i>				
<i>Buildings and improvements</i>	(2,456,914)	(128,712)	-	(2,585,626)
<i>Equipment</i>	(953,946)	(47,820)	-	(1,001,766)
<i>Total accumulated depreciation</i>	(3,410,860)	(176,532)	-	(3,587,392)
<i>Sunny Acres Nursing Home capital assets, net</i>	\$ 1,580,196	\$ 111,676	\$ -	\$ 1,691,872

	December 1	Increases	Decreases	November 30
<i>Countryside Estates of the County:</i>				
<i>Capital assets being depreciated</i>				
<i>Buildings and improvements</i>	\$ 2,376,121	\$ -	\$ -	\$ 2,376,121
<i>Equipment</i>	91,764	-	-	91,764
<i>Total assets being depreciated</i>	2,467,885	-	-	2,467,885
<i>Less accumulated depreciation for</i>				
<i>Buildings and improvements</i>	(1,037,705)	(86,733)	-	(1,124,438)
<i>Equipment</i>	(91,097)	(667)	-	(91,764)
<i>Total accumulated depreciation</i>	(1,128,802)	(87,400)	-	(1,216,202)
<i>Countryside Estates of the County capital assets, net</i>	\$ 1,339,083	\$ (87,400)	\$ -	\$ 1,251,683

**MENARD COUNTY, ILLINOIS**  
**Notes to Basic Financial Statements - Continued**

Capital asset activity for the County's *discretely presented component unit* for the year ended November 30, 2011 is as follows -

	December 1	Increases	Decreases	November 30
<i>Menard County 911 System:</i>				
<i>Capital assets being depreciated</i>				
<i>Equipment</i>	\$ 642,775	\$ 2,959	-	\$ 645,734
<i>Total assets being depreciated</i>	642,775	2,959	-	645,734
<i>Less accumulated depreciation for</i>				
<i>Equipment</i>	(368,425)	(100,830)	-	(469,255)
<i>Total accumulated depreciation</i>	(368,425)	(100,830)	-	(469,255)
<i>Menard County 911 System</i>				
<i>capital assets, net</i>	\$ 274,350	\$ (97,871)	\$ -	\$ 176,479

**6. INTERFUND RECEIVABLES AND PAYABLES**

Interfund balances at November 30, 2011 consist of the following -

	Due from						
	General	Special Revenue Funds		Proprietary	Fiduciary		
	Fund	Major	Nonmajor	Funds	Funds	Total	
<i>General Fund</i>	\$ -	\$ 464,421	-	\$ 51,675	\$ 43,060	\$ 559,156	
<i>Special Revenue Funds - Major</i>	295	-	3,016	17,753	32,760	53,824	
<i>Nonmajor</i>	25,085	4,810	11,554	121	13,489	55,059	
<i>Proprietary Funds</i>	3,250	-	-	-	-	3,250	
<i>Fiduciary Funds</i>	-	-	10,000	-	1,772	11,772	
<i>Total</i>	\$ 28,630	\$ 469,231	24,570	\$ 69,549	\$ 91,081	\$ 683,061	

The balance due to the *General Fund* from the *Special Revenue Funds* includes \$310,000 due from the *Emergency Medical Services Fund* and \$154,421 due from the *Health Department Fund*. These interfund advances have been the primary source of accounts receivable financing for both Emergency medical services, and home health services

**MENARD COUNTY, ILLINOIS**  
**Notes to Basic Financial Statements - Continued**

**7. LONG-TERM DEBT**

Long-term debt obligations' activity for the year ended November 30, 2011 was as follows –

								<i>Due</i>
		<i>Beginning</i>					<i>Ending</i>	<i>next</i>
		<i>Balance</i>		<i>Additions</i>		<i>Reductions</i>	<i>Balance</i>	<i>year</i>
<b>Governmental Activities:</b>								
<i>Installment contracts</i>	\$	114,090	\$	-	\$	29,173	\$	14,917
<b>Total Governmental Activities</b>	\$	114,090	\$	-	\$	29,173	\$	14,917
<b>Business-type Activities:</b>								
<i>Revenue Bonds</i>	\$	-	\$	-	\$	-	\$	-
<b>Total Business-type activities</b>	\$	-	\$	-	\$	-	\$	-

Long-term obligations for the governmental activities consist of –

An installment contract for the purchase of equipment that requires monthly payments of \$1,658 through February 2012. The interest rate is seven percent for the duration of the contract.

An \$80,000 loan due to the Illinois Finance Authority Ambulance Revolving Loan Program. The terms of the loan agreement do not require interest and the loan must be repaid in annual installments of \$10,000 through November 2019.

Debt service requirements at November 30, 2011 are as follows –

<i>Governmental Activities</i>				
<i>Year ending</i>				
<i>November 30</i>		<i>Principal</i>	<i>Interest</i>	<i>Total</i>
<i>2012</i>		14,917	57	14,973
<i>2013</i>		10,000	-	10,000
<i>2014</i>		10,000	-	10,000
<i>2015</i>		10,000	-	10,000
<i>2016</i>		10,000	-	40,000
<i>2017-2019</i>		30,000		
<i>Total</i>	\$	84,917	\$	57 \$ 84,974

**8. INTERGOVERNMENTAL AGREEMENT, BUSINESS – TYPE ACTIVITIES**

Menard County had previously entered into an intergovernmental agreement with the State of Illinois to assist the Illinois Department of Healthcare and Family Services in administering an alternate Medicaid reimbursement methodology for county owned nursing homes. The Menard County Board of Commissioners designated that the administrative allowances earned because of the County's participation in the alternate reimbursement process, and the related interest income, net of any operating costs, be retained and restricted for future financing needs. The agreement became effective for services provided on and after October 1, 2002. The State terminated the agreement on September 30, 2006 and Menard County, as an owner and operator of a county owned nursing home, was then required to participate in the administration of the alternate Medicaid reimbursement methodology in accordance with new rules and regulations of the State of Illinois' Department of Healthcare and Family Services. While the agreement was in effect, both versions, the related financial transactions were accounted for in the County's *Intergovernmental Transfer Fund*. After the agreement was terminated,

**MENARD COUNTY, ILLINOIS**

**Notes to Basic Financial Statements – Continued**

the *Sunny Acres Nursing Home Fund* commenced administering and accounting for the alternate Medicaid reimbursement process, and the net assets of the *Intergovernmental Transfer Fund* were designated as *capital reserve* by the County's Board of Commissioners, and transferred to, and segregated within the *Sunny Acres Nursing Home Fund* in November 2006.

The agreement for participating in the alternate reimbursement process ended in September 2009. Management's understanding, reaffirmed, most recently, by representatives of the State of Illinois Department of Healthcare and Family Services' personnel in June 2011, is that the successor arrangement for the Medicaid reimbursement methodology will consist of a normal daily reimbursement amount to be earned monthly and a supplementary amount to be earned quarterly. It is the intent of the County's Board of Commissioners that the supplemental amounts earned will be reserved and restricted for future capital and financing needs as they are collected. The quarterly supplemental amount has been accrued as revenue since September 2009, approximately \$857,113 is included in accounts receivable at November 30, 2011. Management expects that this cumulative amount will eventually be collected from the State of Illinois.

**9. PROPERTY TAXES**

Property taxes attach as an enforceable lien on real property as of January 1 in the year in which the taxes are levied. The County bills and collects its own property taxes and also the taxes of other County taxing districts. The taxes are generally payable in two installments on June 1 and September 1. County property taxes are recognized as revenues when levied to the extent that they result in current receivables. The collection and remittance of property taxes to the County and other taxing districts is accounted for through the County Collector's General Tax Fund, a fiduciary fund.

The *unaudited* individual fund tax rates and limits during the years ended November 30, 2011 and 2010 are as follows:

**RATES PER \$100 OF EQUALIZED ASSESSED VALUATION**  
**(2010 EQUALIZED ASSESSED VALUE \$230,047,219)**  
**(2009 EQUALIZED ASSESSED VALUE \$222,884,155)**

	<i>Actual Rate</i>		<i>Legal Limit</i>
	<i>2010</i>	<i>2009</i>	
<i>General Fund</i>	.3344	.3477	.4350
<i>Retirement and FICA Fund</i>	.2347	.2229	None
<i>Liability Insurance Fund</i>	.0890	.0833	None
<i>Emergency Medical Services Fund</i>	.1392	.1337	.2500
<i>Tuberculosis Fund</i>	.0035	.0036	.7500
<i>General Assistance Fund</i>	.0183	.0188	.1000
<i>County Fair Fund</i>	.0153	.0155	.0200
<i>County Bridge Fund</i>	.0500	.0500	.0500
<i>Federal Aid Matching Fund</i>	.0500	.0500	.0500
<i>County Highway Fund</i>	.1030	.1030	.1030
<i>Road Repair and Maintenance Fund</i>	.0500	.0500	.0500
<i>Cooperative Extension Service Fund</i>	.0116	.0118	.0500
<i>Total rate</i>	<u>1.0990</u>	<u>1.0903</u>	

**MENARD COUNTY, ILLINOIS**

**Notes to Basic Financial Statements – Continued**

**10. INTERFUND TRANSFERS**

Transfers are used to (1) move revenues from the fund that statute or budget requires collect them, to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers for the year ended November 30, 2011 consisted of the following -

Transfers from										
Transfers to			General		Special Revenue Funds		Proprietary			
			Fund				Funds		Total	
					Major	Nonmajor				
	General Fund	\$	-	\$	-	113,900	\$	60,000	\$	173,900
	Special Revenue									
	Major		-		-	-		-		-
	Nonmajor		319,044		-	60,000		-		379,044
	Proprietary Funds		-		-	-		419,588		419,588
Total	\$	319,044	\$	-	173,900	\$	479,588	\$	972,532	

**11. DEFINED BENEFIT PENSION PLANS**

The County maintains three defined benefit pension plans through the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. They are as follows -

**Regular Plan 03042R**

**Plan Description** – The County’s defined benefit pension plan for regular employees does not include elected officials and certain law enforcement personnel. It provides retirement and disability benefits, post retirement increases, and death benefits to its plan members and beneficiaries. Benefit provisions are established by statute and may only be changed by General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

**Funding Policy** – As set by statute, Regular Plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate used by the County for calendar year 2011 was 8.83% of annual covered payroll. The required employer contribution rate for calendar year 2010 was 8.51%. The County also contributes for disability benefits, death benefits, and supplemental retirements, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by state statute.

**Annual Pension Cost** – The County’s required annual pension cost for the *Regular Plan* for the year ended November 30, 2011 was \$462,772. The County contributed \$462,772. The 2010 net pension obligation was contributed in 2011.

***Three-Year Trend Information for Regular Plan 03042R***

Year ending		Annual	Percent		Net Pension
November 30,		Pension Cost	Contributed		Obligation
2011	\$	462,772	100%	\$	-
2010	\$	463,261	100%	\$	21,020
2009	\$	188,493	100%	\$	-

**MENARD COUNTY, ILLINOIS**

**Notes to Basic Financial Statements - Continued**

The required contribution for 2011 was determined as part of the December 31, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post – retirement benefit increases of 3% annually. The actuarial value of the plan’s assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The plan’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30 year basis

**Funded Status and Funding Progress** – As of December 31, 2011, the most recent actuarial valuation date, the *Regular* plan was 91.03% percent funded. The actuarial accrued liability for benefits was \$9,317,573 and the actuarial value of assets was \$8,481,919, resulting in an underfunded actuarial accrued liability (UAAL) of \$835,654. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$5,224,865 and the ratio of the UAAL to the covered payroll was 16%. The schedule of funding progress, presented as *Required Supplementary Information* following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Elected County Officials Plan 03042E**

**Plan Description** – The County’s defined benefit pension plan for *Elected County Officials* provides retirement and disability benefits, post retirement increases, and death benefits to its plan members and beneficiaries. Benefit provisions are established by statute and may only be changed by General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

**Funding Policy** – As set by statute, the County’s *Elected County Officials* plan members are required to contribute 7.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate used by the County for calendar year 2011 was 39.42% of annual covered payroll. The required employer contribution rate for calendar year 2010 was 37.69%. The County also contributes for disability benefits, death benefits, and supplemental retirements, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by state statute.

**Annual Pension Cost** – The County’s required annual pension cost for the *Elected County Officials Plan* for the year ended November 30, 2011 was \$149,349. The County contributed \$149,349. The 2010 net pension obligation was contributed in 2011.

***Three –Year Trend Information for Elected County Officials Plan 03042E***

<i>Year ending</i>		<i>Annual</i>	<i>Percent</i>		<i>Net Pension</i>
<i>November 30,</i>		<i>Pension Cost</i>	<i>Contributed</i>		<i>Obligation</i>
2011	\$	149,349	100%	\$	-
2010	\$	162,948	93%	\$	10,742
2009	\$	126,054	100%	\$	-

**MENARD COUNTY, ILLINOIS**

**Notes to Basic Financial Statements – Continued**

The required contribution for 2011 was determined as part of the December 31, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post – retirement benefit increases of 3% annually. The actuarial value of the plan’s assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The plan’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30 year basis

**Funded Status and Funding Progress** – As of December 31, 2011, the most recent actuarial valuation date, the *Elected County Officials* plan was 44.20% percent funded. The actuarial accrued liability for benefits was \$2,497,456 and the actuarial value of assets was \$862,942 resulting in an underfunded actuarial accrued liability (UAAL) of \$1,103,991. The covered payroll for calendar year 2011(annual payroll of active employees covered by the plan) was \$378,420 and the ratio of the UAAL to the covered payroll was 368%

The schedule of funding progress, presented as *Required Supplementary Information* following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Sheriff’s Law Enforcement Personnel Plan 03042S**

**Plan Description** – The County’s defined benefit pension plan for *Sheriff’s Law Enforcement Personnel* employees provides retirement and disability benefits, post retirement increases, and death benefits to its plan members and beneficiaries. Benefit provisions are established by statute and may only be changed by General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

**Funding Policy** – As set by statute, the County’s *Sheriff’s Law Enforcement Personnel* plan members are required to contribute 7.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate used by the County for calendar year 2011 was 18.15% of annual covered payroll. The required employer contribution rate for calendar year 2010 was 17.09%. The County also contributes for disability benefits, death benefits, and supplemental retirements, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by state statute.

**Annual Pension Cost** – The County’s required annual pension cost for the *Sheriff’s Law Enforcement Personnel Plan* for the year ended November 30, 2011 was \$105,065. The County contributed \$105,065. The 2010 net pension obligation was contributed in 2011.

***Three –Year Trend Information for Sheriff’s Law Enforcement Personnel Plan 03042S***

<i>Year ending</i>		<i>Annual</i>	<i>Percent</i>		<i>Net Pension</i>
<i>November 30,,</i>		<i>Pension Cost</i>	<i>Contributed</i>		<i>Obligation</i>
2011	\$	105,065	100%	\$	-
2010	\$	105,987	97%	\$	2,476
2009	\$	83,145	100%	\$	-

The required contribution for 2011 was determined as part of the December 31, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post – retirement benefit increases of 3% annually. The actuarial value of the plan’s assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The plan’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30 year basis.

**Funded Status and Funding Progress** – As of December 31, 2011, the most recent actuarial valuation date, the *Sheriff’s Law Enforcement Personnel* plan was 68.23% percent funded. The actuarial accrued liability for benefits was \$2,002,494 and the actuarial value of assets was \$1,366,303 resulting in an underfunded actuarial accrued liability (UAAL) of \$636,191. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$578,470, and the ratio of the UAAL to the covered payroll was 110%

The schedule of funding progress, presented as *Required Supplementary Information* following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

## **12. DEFERRED COMPENSATION PLANS**

The County sponsors deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans are available to all County employees at their option and permit participants to defer a portion of their salary until future years. The deferred compensation and accumulated earnings are not available to participants until termination, retirement, death or unforeseeable emergency. The plans’ assets have been placed in trust for the exclusive benefit of plan participants and are not included in the County’s financial statements. The County has no fiduciary responsibility for the plans’ assets.

## **13. INTEREST EXPENSE**

Total interest costs incurred by the *governmental activities* were \$1,643. The *business-type activities* did not incur any interest costs. All interest costs were expensed.

## **14. ECONOMIC DEPENDENCY**

Emergency Medical Services’ operations and the operations of the Menard County Health Department are significantly funded with both Medicare and Medicaid revenues.

The majority of Sunny Acres’ Nursing Home’s residents receive Medicaid insurance benefits through the State of Illinois Department of Healthcare and Family Services. In these instances a substantial portion of the nursing home’s fee for resident care services is received directly from the State of Illinois. Amounts due from the State of Illinois for Medicaid reimbursements generally are in arrears two to three months, but increased to five to six months during 2011. Sunny Acres began providing Medicare services to eligible residents in late 2004. Approximately seventy percent of the nursing home’s revenue is derived through and from Medicare and Medicaid.



## 15. RISK MANAGEMENT

Menard County participates in the Illinois Counties Risk Management Trust to finance and manage its potential risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. This is an arrangement by which certain Illinois counties pool risks and funds and participate and share in the costs of reinsurance arrangements. There was no significant reduction in risk coverage from 2009.

The County is self-insured for State of Illinois unemployment compensation purposes. Such costs, if any are funded after notification from the State of Illinois.

Commercial insurance arrangements were previously used by the County to provide group medical and hospitalization benefits for its employees. During 2011 the County Board of Commissioners decided that Menard County should self fund the economic costs of providing group type medical and hospitalization benefits for its employees. This self funding arrangement took effect on July 1, 2011. The economic costs of this risk retention arrangement include payment of related claims up to certain threshold amounts, premium costs for acquiring reinsurance protection for claims in excess of the threshold amounts, and certain administrative costs. Eligible, participating employees of the County's *governmental activities* and *business-type activities* contribute to the plan as does the County. An internal service fund, the *Self Insurance Fund*, is used to account for this risk retention activity. Internal service funds, by definition, are used by governmental entities to account for the financing of goods or services provided by one department or agency of the government to other departments or agencies of the government on a cost reimbursement basis. It is expected that rates will be developed annually to adequately fund the costs of this self insurance activity, including an up-front, \$50,000, working capital advance from the *General Fund* if conditions warrant.

Generally accepted accounting and financial reporting standards for risk financing and related insurance issues require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Activity in the *Self Insurance Fund's* claim liability account, including reinsurance and administrative costs, was as follows -

<i>July 1, 2010 to November 30, 2010</i>		
<i>Beginning liability</i>	\$	76,809
<i>Current period claims, related costs, and estimates</i>		663,957
<i>Claims and related costs paid</i>		(670,766)
<i>Ending liability</i>	\$	70,000

All of the assets and liabilities of the *Self Insurance Fund* are included in the *Statement of Financial Position* at November 30, 2010 as *Governmental Activities* because of its reliance on the *General Fund* for deficit funding. The risk retention costs for 2011 are fairly presented by function as to *Governmental Activities* and *Business-Type Activities* in the *Statement of Activities* as an appropriate consequence of accounting for the sources of funding for the risk retention costs.

**MENARD COUNTY, ILLINOIS**  
**Notes to Basic Financial Statements – Continued**

**16. COMMITMENTS**

Approximately \$980,000 of the *roads and bridges* restricted net assets is committed for current and future road and bridge construction projects.

**17. CONTINGENCIES**

The County participates in several Federal and State award programs and also derives revenues from Medicare and Medicaid. These programs are subject to program compliance audits by the grantors or their representatives. Management believes that any liability for reimbursement, if any, which may arise, as the result of these audits will not significantly impact the County's financial position.

The County's Board of Commissioners has authorized the County Treasurer to extend a line of credit of up to \$100,000 from the *General Fund* to the *Menard County Health Department* for working capital purposes in the event the delay in the reimbursement process for home health and grant related activity results in that Department's need for working capital. See also the discussion at Note 21 concerning the uncertainty with regards to this funding arrangement.

**18. SUBSEQUENT EVENTS**

Subsequent events were evaluated through August 17, 2012; the date that the financial statements were available for issuance. Events or transactions occurring after November 30, 2011 and prior to August 17, 2012, if any that provided additional evidence about conditions that existed at November 30, 2011 have been recognized in the financial statements.

**19. NEW GOVERNMENT ACCOUNTING STANDARDS**

The Governmental Accounting Standards Board issued a new accounting standard in February 2009. This statement, *Fund Balance Reporting and Governmental Fund Type Definitions*, established new and revised accounting and financial reporting standards for units of government that use and report *governmental funds*. It established criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The County commenced application of the relevant provisions of this new statement on December 1, 2010. There was no significant impact on the determination of net assets and fund balance amounts.

The Governmental Accounting Standards Board issued a new accounting standard in June, 2012. This statement, *Accounting and Financial Reporting for Pensions*, among other requirements and changes, revises and establishes new financial reporting standards for most governments that provide their employees with pension benefits. This statement requires that governments providing defined benefit pensions to recognize their unfunded net long term obligations for pension benefits as a liability for the first time in their statement of financial position which will entail immediate recognition of more pension expense than is presently required in the statement of activities. These new financial reporting requirements will be effective for the County for the fiscal year ending November 30, 2015.

**20. PRIOR PERIOD ADJUSTMENT**

The prior period adjustment for the Health Department Fund, a \$30,000 decrease, resulted from credit losses discovered during 2011 that should have been provided for as bad debts in previous years.

## **MENARD COUNTY, ILLINOIS**

### ***Notes to Basic Financial Statements – Continued***

#### **21. UNCERTAINTY - MENARD COUNTY HEALTH DEPARTMENT**

The Menard County Health Department is a “blended” component unit of Menard County. This relationship is discussed in Note 1. The Health Department is fiscally dependent on the County. The employer portion of the Health Department’s employees’ retirement costs is directly funded by the County; approximately \$67,000 annually. Those costs are included in the annual expenditures of the County’s Retirement and FICA Fund, a special revenue fund. In addition, the County has extended the Health Department a \$100,000 line of credit for interim accounts receivable financing needs. This revolving loan arrangement is with the County’s General Fund. Though the line of credit was supposed to be capped at \$100,000 it was \$154,421 at November 30, 2011. At July 31, 2012 it was \$83,322.

The Health Department’s home health services, a substantial component of the Department’s service mix for many years and a funding source for the public health services, has contracted severely during the past several years and the department has also experienced unanticipated credit losses in that regard. The result has been a level of liquidity and fund balance that are diminished and may not be adequate for funding anticipated accounts receivable financing needs and management’s planned attempts to recapture the Department’s former share of the local home health market.

#### **22. LITIGATION**

As of November 30, 2011, the County is a party to a number of lawsuits arising in the normal course of business. While the results of litigation cannot be predicted with certainty, management believes that the final outcome of such litigation will not have a materially adverse effect on the County’s financial position, if any.

## REQUIRED SUPPLEMENTARY INFORMATION

**MENARD COUNTY, ILLINOIS**

**GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED NOVEMBER 30, 2011**

				Variances -	
				Positive (Negative)	
	2011			Budget	
	Budgeted Amounts	Actual		Original to	Budget Final to
	Original	Final	Amounts	Final	Actual
<b>REVENUES</b>					
Property taxes	\$ 774,425	\$ 774,425	\$ 772,691	\$ -	\$ (1,734)
Federal and State payments	1,019,834	1,019,834	1,170,762	-	150,928
Fines, fees, forfeitures and licenses	374,200	374,200	457,842	-	83,642
Charges for services	227,170	227,170	198,838	-	(28,332)
Other	10,950	10,950	8,307	-	(2,643)
Interest	55,000	55,000	25,340	-	(29,660)
<b>Total revenues</b>	<b>2,461,579</b>	<b>2,461,579</b>	<b>2,633,780</b>	<b>-</b>	<b>172,201</b>
<b>EXPENDITURES</b>					
General government	1,166,689	1,166,689	973,559	-	193,130
Public safety	1,124,715	1,124,715	1,094,978	-	29,737
Judiciary and court	549,302	549,302	515,493	-	33,809
County development	12,500	12,500	12,500	-	-
<b>Total expenditures</b>	<b>2,853,206</b>	<b>2,853,206</b>	<b>2,596,530</b>	<b>-</b>	<b>256,676</b>
<b>EXCESS REVENUES OVER (UNDER)</b>					
<b>EXPENDITURES</b>	<b>(391,627)</b>	<b>(391,627)</b>	<b>37,250</b>	<b>-</b>	<b>428,877</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in (out):					
From County Farm Fund	80,000	80,000	80,000	-	-
From Probation Service Fund	7,500	7,500	7,500	-	-
From Sheriff's Vehicle Fund	5,000	5,000	5,000	-	-
From Circuit Clerk Operation and Administrative Fund	1,400	1,400	1,400	-	-
From DUI Equipment Fund	20,000	20,000	20,000	-	-
To Health Department Fund	(5,000)	(5,000)	-	-	5,000
To Animal Control Fund	(54,000)	(54,000)	(59,044)	-	(5,044)
To County Elections Fund	(60,000)	(60,000)	(60,000)	-	-
To Building Improvement Fund	(200,000)	(200,000)	(200,000)	-	-
<b>Total other financing sources (uses)</b>	<b>(205,100)</b>	<b>(205,100)</b>	<b>(205,144)</b>	<b>-</b>	<b>(44)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(596,727)</b>	<b>(596,727)</b>	<b>(167,894)</b>	<b>-</b>	<b>428,833</b>
<b>FUND BALANCE - BEGINNING</b>	<b>2,159,693</b>	<b>2,159,693</b>	<b>2,211,945</b>	<b>-</b>	<b>52,252</b>
<b>RESIDUAL EQUITY TRANSFERS</b>	<b>60,000</b>	<b>60,000</b>	<b>60,000</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 1,622,966</b>	<b>\$ 1,622,966</b>	<b>\$ 2,104,051</b>	<b>\$ -</b>	<b>\$ 481,085</b>

**MENARD COUNTY, ILLINOIS**

**GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED NOVEMBER 30, 2011**

	2011			Variances - Positive (Negative)	
	Budgeted Amounts		Actual Amounts	Budget Original to Final	Budget Final to Actual
	Original	Final			
<b>REVENUES</b>					
Real estate taxes	\$ 770,000	\$ 770,000	\$ 768,619	\$ -	\$ (1,381)
Mobile home privilege taxes	625	625	597	-	(28)
Shelter rent in lieu of taxes	3,800	3,800	3,475	-	(325)
Federal and State payments:					
Personal property replacement tax	63,200	63,200	52,302	-	(10,898)
Sales tax	205,000	205,000	252,549	-	47,549
County supplemental sales tax	122,000	122,000	135,020	-	13,020
State income tax	520,000	520,000	531,071	-	11,071
Inheritance tax - rebate	1,000	1,000	5,151	-	4,151
Salary reimbursements	94,726	94,726	180,761	-	86,035
Federal awards	13,908	13,908	13,908	-	-
State awards	-	-	-	-	-
Fines, fees, forfeitures and licenses:					
Circuit Clerk fees and fines	160,000	160,000	209,641	-	49,641
County Clerk fees	140,000	140,000	168,023	-	28,023
Treasurer and Collector fees	33,000	33,000	34,671	-	1,671
County Sheriff fees	22,000	22,000	18,681	-	(3,319)
State's Attorney fees	3,000	3,000	6,638	-	3,638
Zoning fees	16,000	16,000	19,378	-	3,378
Other	200	200	810	-	610
Charges for services:					
Housing federal prisoners and others	100,000	100,000	71,668	-	(28,332)
Salary reimbursements	127,170	127,170	127,170	-	-
Other	10,950	10,950	8,307	-	(2,643)
Interest	55,000	55,000	25,340	-	(29,660)
<b>TOTAL REVENUES</b>	<b>\$ 2,461,579</b>	<b>\$ 2,461,579</b>	<b>\$ 2,633,780</b>	<b>\$ -</b>	<b>\$ 172,201</b>

**MENARD COUNTY, ILLINOIS**

**GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED NOVEMBER 30, 2011**

				Variances -	
				Positive (Negative)	
	2011			Budget	
	Budgeted Amounts	Actual		Original to	Budget Final to
	Original	Final	Amounts	Final	Actual
<b>EXPENDITURES</b>					
General government (continued)					
Office of County Treasurer and Collector					
Salary of County Treasurer and Collector	57,972	57,972	57,972	-	-
Salaries and wages	49,925	49,925	47,852	-	2,073
Stationery and office supplies	1,300	1,300	1,183	-	117
Copy machine supplies	300	300	300	-	-
Office equipment	350	350	-	-	350
Books, periodicals, manuals	100	100	-	-	100
Computer related	96	96	96	-	-
Auto mileage	200	200	133	-	67
Postage	4,100	4,100	4,071	-	29
Travel expense	100	100	-	-	100
Legal notices or publishing	600	600	514	-	86
Printing, duplicating, binding	350	540	537	190	3
Telephone	1,050	1,050	956	-	94
Maintenance of office equipment	1,600	1,410	1,546	(190)	(136)
Dues and memberships	150	150	150	-	-
Instruction and schooling	-	-	-	-	-
Total County Treasurer and Collector	118,193	118,193	115,310	-	2,883
Office of Supervisor of Assessments:					
Salary of Supervisor of Assessments	57,972	57,972	57,972	-	-
(40% reimbursed by the State of Illinois)				-	-
Salaries and wages	67,146	67,146	57,146	-	10,000
Per diem	500	500	-	-	500
Stationery and office supplies	1,000	1,000	236	-	764
Copy machine supplies	-	-	-	-	-
Office equipment	1,000	1,000	339	-	661
Books, periodicals, manuals	250	250	-	-	250
Computer related	596	596	96	-	500
Professional fees - appraisals	500	500	-	-	500
Auto mileage	2,000	2,000	352	-	1,648
Postage	2,500	2,500	2,153	-	347
Telephone	1,500	1,500	1,649	-	(149)
Travel expense	500	500	152	-	348
Legal notices or publishing	7,000	7,000	2,985	-	4,015
Printing, duplicating, binding	500	500	495	-	5
Dues and memberships	250	250	225	-	25
Instruction and schooling	1,000	1,000	340	-	660
Mapping maintenance	1,000	1,000	358	-	642
Total Supervisor of Assessments	145,214	145,214	124,498	-	20,716

**MENARD COUNTY, ILLINOIS**

**GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED NOVEMBER 30, 2011**

				Variances -	
	2011			Positive (Negative)	
	Budgeted Amounts		Actual Amounts	Budget Original to	Budget Final to
Original	Final	Final		Actual	
EXPENDITURES					
General government:					
Building and grounds - Courthouse:					
Salaries of custodians	\$ 52,592	\$ 52,592	\$ 52,961	\$ -	\$ (369)
Cleaning supplies	1,500	1,500	8	-	1,492
Operating fuel	200	200	191	-	9
Electrical, plumbing, etc	800	800	108	-	692
Building repairs and maintenance	13,500	13,500	5,682	-	7,818
Landscaping	2,000	2,000	1,268	-	732
Electricity and natural gas	30,000	30,000	24,180	-	5,820
Water and sewer	1,750	1,750	1,127	-	623
Garbage disposal	500	500	610	-	(110)
Sanitation, cleaning, disinfecting	3,500	3,500	8,163	-	(4,663)
Total building and grounds - Courthouse	106,342	106,342	94,298	-	12,044
Office of County Clerk and Recorder:					
Salary of County Clerk and Recorder	57,972	57,972	57,972	-	-
Salaries and wages	85,210	85,210	84,500	-	710
Stationery and office supplies	3,750	4,550	4,492	800	58
Office equipment	300	300	190	-	110
Copy machine supplies	1,800	1,800	1,713	-	87
Books, periodicals, manuals	100	100	-	-	100
Postage	4,500	4,500	4,382	-	118
Auto mileage and travel expense	1,500	1,100	870	(400)	230
Legal notices or publishing	100	100	98	-	2
Printing, duplication, binding	100	100	98	-	2
Telephone	1,500	1,500	1,459	-	41
Maintenance of office equipment	600	200	-	(400)	200
Dues and memberships	400	400	250	-	150
Instruction and schooling	250	250	103	-	147
Computer related	1,300	1,300	1,294	-	6
Total County Clerk and Recorder	159,382	159,382	157,421	-	1,961



**MENARD COUNTY, ILLINOIS**

**GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED NOVEMBER 30, 2011**

				Variances - Positive (Negative)	
	2011		Actual Amounts	Budget Original to Final	Budget Final to Actual
	Budgeted Amounts Original	Final			
<b>EXPENDITURES</b>					
General government (continued)					
County Coordinator and Zoning Administrator :					
Salaries and wages	68,638	68,638	67,343	-	1,295
Per diem	5,000	5,000	1,550	-	3,450
Stationery and office supplies	300	400	365	(100)	35
Copy machine supplies	200	200	83	-	117
Office equipment	200	200	-	-	200
Postage	900	900	752	-	148
Books, periodicals, manuals	150	200	179	(50)	21
Computer expense	100	100	96	-	4
Auto mileage	1,000	1,000	553	-	447
Travel expense	200	200	-	-	200
Legal notices or publishing	1,000	1,000	557	-	443
Printing, duplicating, binding	-	-	-	-	-
Telephone	1,200	1,200	1,205	-	(5)
Dues and memberships	300	250	10	50	240
Instruction and schooling	200	100	-	100	100
Office equipment greater than \$500	-	-	-	-	-
Total County Coordinator	79,388	79,388	72,693	-	6,695
Other:					
Salaries and wages	-	-	-	-	-
Compensation of County Commissioners	40,000	40,000	40,000	-	-
Per diem	2,000	2,000	3,240	-	(1,240)
Stationary and office supplies	-	-	-	-	-
Books, periodicals, manuals	-	-	-	-	-
Information technology	51,415	51,415	34,012	-	17,403
County's share of expenses of Regional Superintendent of Schools' Office	34,720	34,720	34,720	-	-
Menard County Rescue Squad	7,500	7,500	7,500	-	-
Inquest and autopsy fees	15,000	15,000	11,571	-	3,429
State of Illinois revenue stamps	60,000	60,000	48,436	-	11,564
Auditing and accounting services	44,150	44,150	42,350	-	1,800
Consulting, GASB34	6,000	6,000	6,000	-	-
Auto mileage	2,000	2,000	1,440	-	560
Office equipment	5,800	5,800	2,632	-	3,168
Travel expenses	500	500	379	-	121
Legal notices or publishing	800	1,300	1,290	(500)	10
Court reporting	1,000	1,000	-	-	1,000
Surety Bonds	200	200	-	-	200
Health Insurance	168,440	168,440	165,318	-	3,122
Telephone	200	200	-	-	200
Dues and memberships	1,000	1,000	900	-	100
Contingencies	100,000	100,000	6,099	-	93,901
Other	7,445	8,045	3,452	(600)	4,593
Office equipment over \$500	10,000	8,900	-	1,100	8,900
Total other expenditures	558,170	558,170	409,339	-	148,831
Total general government	1,166,689	1,166,689	973,559	-	193,130

**MENARD COUNTY, ILLINOIS**

**GENERAL FUND**

**BUDGETARY COMARISON SCHEDULE  
FOR THE YEAR ENDED NOVEMBER 30, 2011**

				Variances -	
	2011			Positive (Negative)	
	Budgeted Amounts		Actual	Budget	
	Original	Final	Amounts	Original to Final	Budget Final to Actual
EXPENDITURES					
Public safety:					
Office of County Sheriff - Law Enforcement:					
Salary of Sheriff	65,528	65,528	65,528	-	-
Other salaries and wages	825,269	825,269	802,433	-	22,836
Stationery and supplies	2,000	2,000	1,589	-	411
Copy machine supplies	1,500	1,500	1,023	-	477
Books, periodicals, manuals	1,200	1,200	1,456	-	(256)
Office equipment	3,000	3,000	2,067	-	933
Computer related	5,108	5,108	1,961	-	3,147
Inmate supplies	3,000	3,000	3,147	-	(147)
Medical, dental, and nursing fees	25,000	25,000	16,290	-	8,710
Prisoner food and meals	30,000	30,000	33,328	-	(3,328)
Gasoline, equipment, and supplies	30,000	30,000	39,797	-	(9,797)
Clothing, uniforms	10,000	10,000	8,906	-	1,094
Operational supplies	4,000	4,000	451	-	3,549
Towing and hauling	500	500	55	-	445
Postage	1,860	1,860	1,867	-	(7)
Legal notices or publishing	350	350	-	-	350
Electricity and gas	16,000	16,000	14,435	-	1,565
Telephone	16,000	16,000	16,955	-	(955)
Water and sewer	5,500	5,500	5,357	-	143
Garbage disposal	600	600	720	-	(120)
Automobile maintenance	15,000	15,000	16,799	-	(1,799)
Mobile equipment maintenance	5,000	5,000	2,647	-	2,353
Office equipment maintenance	1,500	1,500	-	-	1,500
Landscaping maintenance	500	500	455	-	45
Office equipment leases	5,300	5,300	5,270	-	30
Dues and memberships	2,000	2,000	2,132	-	(132)
Janitorial	7,000	7,000	10,080	-	(3,080)
Housing prisoners in other counties	11,000	11,000	5,920	-	5,080
Travel expense	2,500	2,500	1,696	-	804
Convention	1,000	1,000	524	-	476
Instruction and schooling	6,000	6,000	4,158	-	1,842
County Sheriff (carried forward)	1,103,215	1,103,215	1,067,046	-	36,169

**MENARD COUNTY, ILLINOIS**

**GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED NOVEMBER 30, 2011**

	2011		Variances - Positive (Negative)	
	Budgeted Amounts		Budget	
	Original	Final	Original to Final	Budget Final to Actual
<b>EXPENDITURES</b>				
Public safety (continued)				
Office of County Sheriff - Law Enforcement:				
County Sheriff (brought forward)	1,103,215	1,103,215	1,067,046	- 36,169
Investigation costs	500	500	355	- 145
Photographic equipment	-	-	-	- -
Automotive equipment	20,000	20,000	26,777	- (6,777)
Radio equipment	500	500	445	- 55
Other	500	500	355	- 145
Total Public Safety	1,124,715	1,124,715	1,094,978	- 29,737
Judiciary and court related:				
Office of State's Attorney:				
Salary of State's Attorney ( 77% reimbursed by the State of Illinois)	131,500	131,500	128,959	- 2,541
Other salaries and wages	55,809	55,809	51,045	- 4,764
Stationery and office supplies	3,194	3,394	3,120	200 274
Office equipment	495	495	372	- 123
Copy machine supplies	725	875	790	150 85
Books, periodicals, manuals	4,300	4,150	3,608	(150) 542
Computer related	120	120	96	- 24
Contractual services	384	384	336	- 48
Court reporting	800	600	148	(200) 452
Witness fees	1,000	1,000	143	- 857
Postage	920	920	826	- 94
Travel	875	875	638	- 237
Legal notices or publishing	300	300	171	- 129
Telephone	2,000	2,000	716	- 1,284
Office equipment maintenance	200	200	-	- 200
Dues and memberships	775	775	724	- 51
Instruction and schooling	825	825	810	- 15
Investigation expense	1,000	1,000	-	- 1,000
Miscellaneous fees	100	100	-	- 100
State's Attorney appellate service	5,000	5,000	5,000	- -
Total State's Attorney	210,322	210,322	197,502	- 12,820

**MENARD COUNTY, ILLINOIS**

**GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED NOVEMBER 30, 2011**

				Variances -	
				Positive (Negative)	
	2011			Budget	
	Budgeted Amounts	Actual		Original to	Budget Final to
	Original	Final	Amounts	Final	Actual
<b>EXPENDITURES</b>					
Judiciary and court related (continued)					
Office of Circuit Clerk:					
Salary of Circuit Clerk	57,972	57,972	57,972	-	-
Other salaries and wages	91,940	91,940	88,937	-	3,003
Stationery and office supplies	5,400	5,400	4,194	-	1,206
Copy machine supplies	-	-	-	-	-
Books, periodicals, manuals	-	-	-	-	-
Computer related	100	100	96	-	4
Auto mileage	200	200	68	-	132
Postage	4,500	4,500	4,500	-	-
Printing, duplicating, binding	-	-	-	-	-
Telephone	2,000	2,000	2,040	-	(40)
Office equipment maintenance	100	100	-	-	100
Office equipment rental	2,500	2,500	1,199	-	1,301
Dues and memberships	250	250	205	-	45
Total Circuit Clerk	164,962	164,962	159,211	-	5,751
The Courts of Menard County:					
Juror fees	8,000	8,000	1,335	-	6,665
Office equipment	1,000	1,000	-	-	1,000
Stationery and office supplies	1,400	1,400	1,147	-	253
Books, periodicals, manuals	3,500	3,500	3,763	-	(263)
Jurors' food and meals	1,000	1,000	18	-	982
Computer related	135	135	96	-	39
Court reporting	2,000	2,000	325	-	1,675
Legal - guardian ad litem, attorney fees, judge's salary, etc.	40,000	40,000	45,790	-	(5,790)
Services for juveniles	5,000	5,000	550	-	4,450
Witnesses	1,000	1,000	-	-	1,000
Auto mileage	800	800	46	-	754
Travel expenses	1,000	1,000	-	-	1,000
Telephone	900	900	828	-	72
Medical, dental and nursing fees	500	500	-	-	500
Instruction and schooling	1,000	1,000	-	-	1,000
Office equipment maintenance	1,000	1,000	-	-	1,000
Other	400	400	128	-	272
Postage	600	600	600	-	-
Dues and memberships	350	350	-	-	350
Office equipment greater than \$500	1,500	1,500	1,338	-	162
Total Courts of Menard County	71,085	71,085	55,964	-	15,121

**MENARD COUNTY, ILLINOIS**

**GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED NOVEMBER 30, 2011**

	2011			Variances - Positive (Negative)	
	Budgeted Amounts Original	Final	Actual Amounts	Budget Original to Final	Budget Final to Actual
EXPENDITURES					
Judiciary and court related (continued)					
Probation office:					
Salaries and wages (39% reimbursed by the State of Illinois)	102,933	102,933	102,816	-	117
Stationery and office supplies	-	-	-	-	-
Travel and auto mileage	-	-	-	-	-
Legal notices or publishing	-	-	-	-	-
Postage	-	-	-	-	-
Telephone	-	-	-	-	-
Instruction and Schooling	-	-	-	-	-
Office equipment	-	-	-	-	-
Computer expense	-	-	-	-	-
Total probation office	102,933	102,933	102,816	-	117
Total judiciary and court related	549,302	549,302	515,493	-	33,809
County development:					
Soil Conservation	12,500	12,500	12,500	-	-
Total County development	12,500	12,500	12,500	-	-
Total Expenditures	\$ 2,853,206	\$ 2,853,206	\$ 2,596,530	\$ -	\$ 256,676

**MENARD COUNTY, ILLINOIS**

**LIABILITY AND INSURANCE FUND**

**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED NOVEMBER 30, 2011**

	2011			Variances - Positive (Negative)	
	Budgeted Amounts Original	Final	Actual Amounts	Budget Original to Final	Budget Final to Actual
<b>REVENUES</b>					
Property taxes	<u>\$ 205,621</u>	<u>\$ 205,621</u>	<u>\$ 205,653</u>	<u>\$ -</u>	<u>\$ 32</u>
Total revenues	<u>205,621</u>	<u>205,621</u>	<u>205,653</u>	<u>-</u>	<u>32</u>
<b>EXPENDITURES</b>					
Liability and insurance	<u>228,538</u>	<u>228,538</u>	<u>187,678</u>	<u>-</u>	<u>40,860</u>
Total expenditures	<u>228,538</u>	<u>228,538</u>	<u>187,678</u>	<u>-</u>	<u>40,860</u>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(22,917)</u>	<u>(22,917)</u>	<u>17,975</u>	<u>-</u>	<u>40,892</u>
<b>FUND BALANCE - BEGINNING</b>	<u>465,828</u>	<u>465,828</u>	<u>467,809</u>	<u>-</u>	<u>1,981</u>
<b>FUND BALANCE - ENDING</b>	<u><u>\$ 442,911</u></u>	<u><u>\$ 442,911</u></u>	<u><u>\$ 485,784</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 42,873</u></u>

**MENARD COUNTY, ILLINOIS**  
**EMERGENCY MEDICAL SERVICES FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED NOVEMBER 30, 2011**

	2011			Variances - Positive (Negative)	
	Budgeted Amounts		Actual Amounts	Budget	
	Original	Final		Original to Final	Budget Final to Actual
<b>REVENUES</b>					
Property taxes	\$ 320,650	\$ 320,650	\$ 321,651	\$ -	\$ 1,001
Public safety sales tax	415,000	415,000	459,899	-	44,899
Federal and State payments	8,000	8,000	47,479	-	39,479
Charges for services	420,000	420,000	416,443	-	(3,557)
Other	5,400	5,400	5,193	-	(207)
Interest	-	-	-	-	-
<b>Total revenues</b>	<b>1,169,050</b>	<b>1,169,050</b>	<b>1,250,665</b>	<b>-</b>	<b>81,615</b>
<b>EXPENDITURES</b>					
Public safety:					
Salaries and wages	726,465	726,465	750,703	-	(24,238)
Retirement	107,510	107,510	114,237	-	(6,727)
Unemployment compensation	2,000	2,000	-	-	2,000
Health insurance	50,000	50,000	45,392	-	4,608
Insurance and risk management	48,900	48,900	48,900	-	-
Operational	64,200	64,200	93,093	-	(28,893)
Repair and maintenance	26,974	26,974	23,605	-	3,369
Rents and leases	24,800	24,800	24,771	-	29
Telephone	12,150	12,300	12,210	(150)	90
Professional assistance	36,500	36,500	27,992	-	8,508
Other	7,060	6,910	4,906	150	2,004
Equipment acquisitions	191,900	191,900	73,877	-	118,023
Interest expense	5,377	5,377	2,151	-	3,226
<b>Total expenditures</b>	<b>1,303,836</b>	<b>1,303,836</b>	<b>1,221,837</b>	<b>-</b>	<b>81,999</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(134,786)</b>	<b>(134,786)</b>	<b>28,828</b>	<b>-</b>	<b>163,614</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in (out)					
From General Fund	-	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(134,786)</b>	<b>(134,786)</b>	<b>28,828</b>	<b>-</b>	<b>163,614</b>
<b>FUND BALANCE - BEGINNING</b>	<b>197,155</b>	<b>197,155</b>	<b>212,010</b>	<b>-</b>	<b>14,855</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 62,369</b>	<b>\$ 62,369</b>	<b>\$ 240,838</b>	<b>\$ -</b>	<b>\$ 178,469</b>

**MENARD COUNTY, ILLINOIS**

**HEALTH DEPARTMENT FUND**

**BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED NOVEMBER 30, 2011**

				Variances -	
				Positive (Negative)	
	2011			Budget	
	Budgeted Amounts	Actual		Original to	Budget Final to
	Original	Final	Amounts	Final	Actual
<b>REVENUES</b>					
Federal and State Grant Programs	\$ 329,143	\$ 329,143	\$ 381,480	\$ -	\$ 52,337
Home Health Care Program	343,000	343,000	193,118	-	(149,882)
Health Department fees	88,025	88,025	98,476	-	10,451
Other	100	100	8,136	-	8,036
Interest	300	300	181	-	(119)
<b>Total revenues</b>	<b>760,568</b>	<b>760,568</b>	<b>681,391</b>	<b>-</b>	<b>(79,177)</b>
<b>EXPENDITURES</b>					
Public health:					
Salaries and wages	468,174	468,174	399,530	-	68,644
Office	10,550	10,550	26,888	-	(16,338)
Operational	46,400	46,400	48,027	-	(1,627)
Contractual services	64,250	64,250	61,750	-	2,500
Professional fees	15,100	15,100	11,795	-	3,305
Transportation	21,600	21,600	29,866	-	(8,266)
Publishing and printing	23,000	23,000	45,228	-	(22,228)
Risk management costs	7,645	7,645	9,573	-	(1,928)
Health Insurance	35,000	35,000	34,621	-	379
Utilities	20,100	20,100	22,840	-	(2,740)
Repair and maintenance	3,000	3,000	521	-	2,479
Rents and leases	29,500	29,500	29,740	-	(240)
Other	10,750	10,750	46,991	-	(36,241)
<b>Total expenditures</b>	<b>755,069</b>	<b>755,069</b>	<b>767,370</b>	<b>-</b>	<b>(12,301)</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<b>5,499</b>	<b>5,499</b>	<b>(85,979)</b>	<b>-</b>	<b>(91,478)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from contract settlement	-	-	24,649	-	24,649
Operating transfers in (out)					
From General Fund	5,000	5,000	-	-	(5,000)
<b>Total other financing sources</b>	<b>5,000</b>	<b>5,000</b>	<b>24,649</b>	<b>-</b>	<b>19,649</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>10,499</b>	<b>10,499</b>	<b>(61,330)</b>	<b>-</b>	<b>(71,829)</b>
<b>FUND BALANCE - BEGINNING</b>	<b>173,133</b>	<b>173,133</b>	<b>120,744</b>	<b>-</b>	<b>(52,389)</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>-</b>	<b>-</b>	<b>(30,000)</b>	<b>-</b>	<b>(30,000)</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 183,632</b>	<b>\$ 183,632</b>	<b>\$ 29,414</b>	<b>\$ -</b>	<b>\$ (154,218)</b>



**MENARD COUNTY, ILLINOIS**

**COUNTY HIGHWAY FUND**

**BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED NOVEMBER 30, 2011**

	2011			Variances - Positive (Negative)	
	Budgeted Amounts		Actual Amounts	Budget Original to Final	Budget Final to Actual
	Original	Final			
<b>REVENUES</b>					
Property taxes	\$ 246,200	\$ 246,200	\$ 238,003	\$ -	\$ (8,197)
Federal and State payments	153,000	153,000	93,076	-	(59,924)
Charges for services	226,252	226,252	367,171	-	140,919
Other	-	-	-	-	-
Interest	10,000	10,000	6,893	-	(3,107)
<b>Total revenues</b>	<b>635,452</b>	<b>635,452</b>	<b>705,143</b>	<b>-</b>	<b>69,691</b>
<b>EXPENDITURES</b>					
Roads and bridges:					
Salaries and wages	266,663	266,663	245,671	-	20,992
Office	5,000	5,000	1,817	-	3,183
Operational	125,200	125,200	122,443	-	2,757
Maintenance	2,200	2,200	954	-	1,246
Construction	11,500	11,500	11,241	-	259
Professional fees	15,000	15,000	68,966	-	(53,966)
Transportation	17,500	17,500	372	-	17,128
Publishing and printing	2,000	2,000	-	-	2,000
Health insurance	45,000	45,000	41,579	-	3,421
Utilities	19,600	19,600	15,151	-	4,449
Repair and maintenance	64,500	64,500	33,260	-	31,240
Rents and leases	22,000	22,000	13,028	-	8,972
Right of way	1,000	1,000	-	-	1,000
Bridges and culverts	1,000	1,000	13,691	-	(12,691)
Road improvements	215,000	215,000	5,497	-	209,503
Drainage improvements	5,000	5,000	-	-	5,000
Equipment acquisitions	136,000	136,000	11,221	-	124,779
Other	8,600	8,600	3,124	-	5,476
<b>Total roads and bridges</b>	<b>962,763</b>	<b>962,763</b>	<b>588,015</b>	<b>-</b>	<b>374,748</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(327,311)</b>	<b>(327,311)</b>	<b>117,128</b>	<b>-</b>	<b>444,439</b>
<b>FUND BALANCE - BEGINNING</b>	<b>653,162</b>	<b>653,162</b>	<b>613,807</b>	<b>-</b>	<b>(39,355)</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 325,851</b>	<b>\$ 325,851</b>	<b>\$ 730,935</b>	<b>\$ -</b>	<b>\$ 405,084</b>

MENARD COUNTY, ILLINOIS  
COUNTY MOTOR FUEL TAX FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED NOVEMBER 30, 2011

				Variances -	
				Positive (Negative)	
	2011			Budget	
	Budgeted Amounts	Actual		Original to	Budget Final to
	Original	Final	Amounts	Final	Actual
<b>REVENUES</b>					
Federal and State payments	\$ 330,000	\$ 330,000	\$ 367,839	\$ -	\$ 37,839
Interest	200	200	198	-	(2)
Total revenues	330,200	330,200	368,037	-	37,837
<b>EXPENDITURES</b>					
Road and bridges:					
Salaries and wages	97,945	97,945	97,944	-	1
Stationery and supplies	-	-	-	-	-
Asphalt and road oil	320,000	320,000	224,278	-	95,722
Salt	34,000	34,000	6,503	-	27,497
Aggregates	103,000	103,000	-	-	103,000
Centerline paint	10,000	10,000	-	-	10,000
Engineering	-	-	-	-	-
Hauling	10,000	10,000	-	-	10,000
Road maintenance	14,000	14,000	8,826	-	5,174
Rents and leases	20,000	20,000	11,213	-	8,787
Bridges and culverts	-	-	-	-	-
Road improvements	15,000	15,000	-	-	15,000
Total expenditures	623,945	623,945	348,764	-	275,181
NET CHANGE IN FUND BALANCE	(293,745)	(293,745)	19,273	-	313,018
FUND BALANCE - BEGINNING	329,510	329,510	327,900	-	(1,610)
FUND BALANCE - ENDING	\$ 35,765	\$ 35,765	\$ 347,173	\$ -	\$ 311,408

**MENARD COUNTY, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS (REGULAR)  
ILLINOIS MUNICIPAL RETIREMENT FUND**

**November 30, 2011**

<b><u>Year Ended November 30,</u></b>	<b><u>Annual Pension Cost (APC)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation</u></b>
<b>2009</b>	<b>\$ 188,493</b>	<b>100%</b>	<b>\$ -</b>
<b>2010</b>	<b>\$ 463,261</b>	<b>96%</b>	<b>\$ 21,020 (1)</b>
<b>2011</b>	<b>\$ 462,772</b>	<b>100%</b>	<b>\$ -</b>

**(1) This amount was paid in 2011.**

**MENARD COUNTY, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS (ECO)  
ILLINOIS MUNICIPAL RETIREMENT FUND**

**November 30, 2011**

<b><u>Year Ended November 30,</u></b>	<b><u>Annual Pension Cost (APC)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation</u></b>
<b>2009</b>	<b>\$ 126,054</b>	<b>100%</b>	<b>\$ -</b>
<b>2010</b>	<b>\$ 162,948</b>	<b>94%</b>	<b>\$ 10,742 (1)</b>
<b>2011</b>	<b>\$ 149,349</b>	<b>100%</b>	<b>\$ -</b>

**(1) This amount was paid in 2011.**

**MENARD COUNTY, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS (SLEP)  
ILLINOIS MUNICIPAL RETIREMENT FUND**

**November 30, 2011**

<b><u>Year Ended November 30,</u></b>	<b><u>Annual Pension Cost (APC)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation</u></b>
<b>2009</b>	<b>\$ 83,145</b>	<b>100%</b>	<b>\$ -</b>
<b>2010</b>	<b>\$ 105,987</b>	<b>98%</b>	<b>\$ 2,476 (1)</b>
<b>2011</b>	<b>\$ 105,065</b>	<b>100%</b>	<b>\$ -</b>

**(1) This amount was paid in 2011.**

MENARD COUNTY, ILLINOIS

SCHEDULE OF FUNDING PROGRESS (REGULAR)  
ILLINOIS MUNICIPAL RETIREMENT FUND

November 30, 2011

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) / (OAAL) (2) - (1)	(5) Covered Payroll	UAAL / (OAAL) As a Percentage of Covered Payroll (4) / (5)
12/31/09	\$ 8,718,695	\$ 9,041,492	96.43%	\$ 322,797	\$4,871,167	-6.63%
12/31/10	\$ 8,950,134	\$ 9,332,186	95.91%	\$ 382,052	\$5,176,087	-7.38%
12/31/11	\$ 8,481,919	\$ 9,317,573	91.03%	\$ 835,654	\$5,224,865	-15.99%

Note----- On a market value basis, the actuarial value of assets as of December 31, 2011 is \$8,066,334.

On a market value basis, the funded ratio would be 86.57%.

MENARD COUNTY, ILLINOIS

SCHEDULE OF FUNDING PROGRESS (ECO)  
ILLINOIS MUNICIPAL RETIREMENT FUND

November 30, 2011

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) / (OAAL) (2) - (1)	(5) Covered Payroll	UAAL / (OAAL) As a Percentage of Covered Payroll (4) / (5)
12/31/09	\$ 674,448	\$ 2,220,541	30.37%	\$ 1,546,093	\$ 368,472	419.60%
12/31/10	\$ 862,942	\$ 2,354,603	36.65%	\$ 1,590,867	\$ 371,737	401.27%
12/31/11	\$ 1,103,991	\$ 2,497,456	44.20%	\$ 1,393,465	\$ 378,420	368.23%

Note----- On a market value basis, the actuarial value of assets as of December 31, 2011 is \$1,027,164

On a market value basis, the funded ratio would be 41.13%.

MENARD COUNTY, ILLINOIS

SCHEDULE OF FUNDING PROGRESS (SLEP)  
ILLINOIS MUNICIPAL RETIREMENT FUND

November 30, 2011

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAAL) / (OAAL) (2) - (1)	(5) Covered Payroll	UAAAL / (OAAL) As a Percentage of Covered Payroll (4) / (5)
12/31/09	\$ 1,259,431	\$ 1,811,028	69.54%	\$ 551,597	\$ 538,634	102.41%
12/31/10	\$ 1,135,868	\$ 1,773,542	64.05%	\$ 637,674	\$ 599,741	106.32%
12/31/11	\$ 1,366,303	\$ 2,002,494	68.23%	\$ 636,191	\$ 578,470	109.98%

Note----- On a market value basis, the actuarial value of assets as of December 31, 2011 is \$1,290,203

On a market value basis, the funded ratio would be 64.43%.



***MENARD COUNTY, ILLINOIS***

***NOTE TO REQUIRED SUPPLEMENTARY INFORMATION***  
***For the year ended November 30, 2011***

**1. BUDGETS AND BUDGETARY ACCOUNTING**

**Budget amounts are determined on a basis consistent with generally accepted accounting principles for the specific fund types.**

**Appropriation balances lapse at year-end; consequently, the County does not utilize encumbrance accounting, a system by which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation.**

**The County generally follows these procedures in establishing its budget –**

- 1. In October of each year, the County Board of Commissioners develops a proposed operating budget for the fiscal year commencing the following December 1. The budget includes proposed expenditures and the means of financing them for virtually all of the County's individual funds.**
- 2. A copy of the proposed budget is placed on file with the County Clerk for public inspection.**
- 3. Each year the budget is adopted by resolution of the County Board of Commissioners.**

**After adoption of the budget, further appropriations are prohibited for appropriated funds except in the event of an emergency. Transfers from one appropriation of any one fund to another appropriation of the same fund, not affecting the total amount appropriated, may be made at any meeting of the County Board by a vote of the members.**

**Formal budgetary integration is employed during the year as a management control device. Appropriation balances lapse at year-end. The following governmental funds had an excess of actual expenditures over budgeted expenditures for the year ended November 30, 2011.**

**MENARD COUNTY, ILLINOIS****Notes to Required Supplementary Information – Continued**

<i>Expenditures</i>				
		<i>Actual</i>	<i>Budget</i>	<i>Excess</i>
<i>Major Funds</i>				
<i>Health Department Fund</i>	\$	767,370	755,069	12,301
<i>Nonmajor Funds</i>				
<i>Retirement and Fica Fund</i>	\$	594,997	\$ 555,887	\$ 39,110
<i>Tuberculosis Fund</i>	\$	18,387	\$ 8,525	\$ 9,862
<i>Animal Control Fund</i>	\$	101,269	\$ 95,339	\$ 5,930
<i>Senior Transport Fund</i>	\$	36,776	\$ 33,761	\$ 3,015
<i>Road Repair and Maintenance Fund</i>	\$	131,748	104,750	\$ 26,998
<i>Court Services Fund</i>	\$	38,775	37,000	1,775
<i>Emergency Relief Fund</i>	\$	7,001	6,023	978
<i>Internal Service Fund</i>				
<i>Self insurance Fund</i>		663,957	607,532	56,425

A management budget is prepared each year for the two *enterprise funds* that comprise the County's *business-type activities*. The County Board of Commissioners' and management's expectations for *Sunny Acres Nursing Home* and *Countryside Estates of the County* results of operations is always greater than what is documented in the management budgets for those operations.

Management expects that the deficit condition, \$78,213, of the County's internal service fund, the *Self Insurance Fund* for the risk retention aspects of self funding group medical and hospitalization type benefits for eligible and participating County employees, will be corrected during the year ending November 30, 2012.

**SUPPLEMENTARY INFORMATION**

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

#### **Retirement and FICA Fund**

To account for the levy and collection of the annual tax for payment of the County's contribution to the United States Social Security System and the Illinois Municipal Retirement Fund.

#### **Tuberculosis Fund**

To account for the levy and collection of the annual tax for the purpose of providing for the care and treatment of inhabitants who may be afflicted with tuberculosis.

#### **Animal Control Fund**

To account for the receipt of service fees from Municipalities, registration fees and fines, and the payment of costs of the Animal Control Program in the County including payment of damages to individuals for the loss of livestock and poultry. One-third of all fees collected must be retained in the Fund until the first Monday in March for the purpose of paying damage claims.

#### **County Farm Fund**

To account for the proceeds derived from the leasing of farmland owned by the County and the payment of necessary expenditures. The County Board may appropriate accumulated proceeds for general county purposes.

#### **General Assistance Fund**

To account for the levy and collection of the annual tax for general assistance purposes in the County.

#### **County Fair Fund**

To account for the levy and collection of the annual tax for County fair purposes.

#### **County Clerk Document Storage System Fund**

To account for the collection of a recording fee used for automating the County Clerk's office.

**SPECIAL REVENUE FUNDS - continued**

**Tax Sale Automation Fund**

To account for the collection of fees for costs related to the automation of the property tax system and delinquent property tax sales.

**County Elections Fund**

To account for funds provided by the General Fund for annual elections costs.

**Court Automation Fund**

To account for the collection of an automation fee to be used for automating the Circuit Clerk's office.

**Cooperative Extension Service Fund**

To account for the levy and collection of the annual tax for the Cooperative Extension Service.

**Senior Transport Fund**

To account for the revenues and costs of providing transportation to Menard County citizens sixty years of age and older.

**Building Improvement Fund**

To account for monies designated for anticipated major improvements to the County Courthouse including the County jail facility.

**Court Document Storage System Fund**

To account for the collection of a court document fee to be used to establish a court document storage system in the Circuit Clerk's office.

**Probation Services Fund**

To account for funds collected and expended for costs associated with the probation office. Plans for expenditure are subject to approval by the State probation office.

**County Bridge Fund**

To account for the levy and collection of the annual tax for the purpose of aiding in the constructing and repairing of County bridges, culverts, grade separations and drainage structures.

## **SPECIAL REVENUE FUNDS - continued**

### **Federal Aid Matching Fund**

To account for the levy and collection of the annual tax for the purpose of providing funds to pay the expenses for engineering and other costs and its proportionate share of construction or maintenance of highways in the Federal primary, secondary, or County highway network.

### **Road Repair and Maintenance Fund**

To account for the levy and collection of the annual tax for the purpose of improving, constructing, maintaining or repairing certain County roads.

### **Court Services Fund**

To account for the collection of court services fees for costs related to the providing of court security.

### **Court Fund**

To account for the collection of fees from the Circuit Clerk for Court improvements.

### **D.U.I. Equipment Fund**

To account for the collection of fees from the Circuit Clerk to be used for the purchase of equipment.

### **County G.I.S. Fund**

To account for the resources to implement a Digitalized Geographic Information Mapping System for the County.

### **State's Attorney Drug Forfeiture Fund**

To account for the receipt of drug forfeiture funds and proceeds in accordance with provisions of the prevailing State Statute.

### **Emergency Relief Fund**

To account for certain grants and contributions received for programs to aid certain Menard County residents in the payment of specific emergency expenditures.

### **Public Land Dedication Fees Fund**

To account for certain zoning fees pertaining to the dedication of public lands.

**SPECIAL REVENUE FUNDS – continued**

**Tourism Promotion Fund**

**To account for the receipt of a county wide hotel tax to be used for funding certain costs relating to tourism promotion, conventions, expositions, theatrical, sports, and cultural activities within the County.**

**Drug Traffic Prevention Fund**

**To account for fees and contributions received for funding certain costs pertaining to preventing drug traffic activities in the County.**

**Circuit Clerk Operation and Administration Fund**

**To account for fees collected by the Circuit Clerk that are designated for funding certain operations and administration costs.**

**Sheriff Vehicle Fund**

**To account for fees collected by the Circuit Clerk that are designated to assist in funding the costs of acquiring and replacing the Sheriff Department's vehicles.**

**MENARD COUNTY, ILLINOIS**

**COMBINING BALANCE SHEET**

**NONMAJOR GOVERNMENTAL FUNDS**

**NOVEMBER 30, 2011**

	Retirement and Fica Fund	Tuberculosis Fund	Animal Control Fund	County Farm Fund	General Assistance Fund	County Fair Fund
<b>ASSETS</b>						
Cash and certificates of deposit	\$ 258,045	\$ 31,861	\$ 5,861	\$ 10,036	\$ 138,095	\$ 704
Investments	-	-	-	-	-	-
Accounts receivable	-	4	-	-	-	-
Taxes receivables	-	-	-	-	-	-
Due from other funds	27,270	-	-	-	-	-
<b>Total assets</b>	<b>\$ 285,315</b>	<b>\$ 31,865</b>	<b>\$ 5,861</b>	<b>\$ 10,036</b>	<b>\$ 138,095</b>	<b>\$ 704</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 82,272	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued compensation	-	-	3,500	-	-	-
Deferred revenue	-	-	-	-	15,000	-
Due to other funds	-	-	-	-	-	-
<b>Total liabilities</b>	<b>82,272</b>	<b>-</b>	<b>3,500</b>	<b>-</b>	<b>15,000</b>	<b>-</b>
<b>FUND BALANCES</b>	<b>203,043</b>	<b>31,865</b>	<b>2,361</b>	<b>10,036</b>	<b>123,095</b>	<b>704</b>
<b>Total liabilities and fund balances</b>	<b>\$ 285,315</b>	<b>\$ 31,865</b>	<b>\$ 5,861</b>	<b>\$ 10,036</b>	<b>\$ 138,095</b>	<b>\$ 704</b>



**MENARD COUNTY, ILLINOIS**

**COMBINING BALANCE SHEET**

**NONMAJOR GOVERNMENTAL FUNDS**

**NOVEMBER 30, 2011**

	County Clerk Document Storage System Fund	Tax Sale Automation Fund	County Elections Fund	Court Automation Fund	Cooperative Extension Service Fund	Senior Transport Fund
<b>ASSETS</b>						
Cash and certificates of deposit	\$ 92,328	\$ 7,003	\$ 123,423	\$ 49,987	\$ 24,304	\$ 23,330
Investments	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-
Taxes receivables	-	-	-	-	-	-
Due from other funds	1,685	-	-	470	-	-
<b>Total assets</b>	<u>\$ 94,013</u>	<u>\$ 7,003</u>	<u>\$ 123,423</u>	<u>\$ 50,457</u>	<u>\$ 24,304</u>	<u>\$ 23,330</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued compensation	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	2,500
Due to other funds	-	-	-	-	-	5,080
<b>Total liabilities</b>	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,580</u>
<b>FUND BALANCES</b>	<u>90,013</u>	<u>7,003</u>	<u>123,423</u>	<u>50,457</u>	<u>24,304</u>	<u>15,750</u>
<b>Total liabilities and fund balances</b>	<u>\$ 94,013</u>	<u>\$ 7,003</u>	<u>\$ 123,423</u>	<u>\$ 50,457</u>	<u>\$ 24,304</u>	<u>\$ 23,330</u>

MENARD COUNTY, ILLINOIS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

NOVEMBER 30, 2011

	Building Improvement Fund	Court Document Storage System Fund	Probation Services Fund	County Bridge Fund	Federal Aid Matching Fund	Road Repair and Maintenance Fund
<b>ASSETS</b>						
Cash and certificates of deposit	\$ 238,430	\$ 96,004	\$ 108,990	\$ 485,264	\$ 272,561	\$ 4,073
Investments	-	-	-	-	-	-
Accounts receivable	-	1,842	-	12,840	45,145	-
Taxes receivables	-	-	-	-	-	-
Due from other funds	-	264	2,984	4,810	9,490	-
Total assets	<u>\$ 238,430</u>	<u>\$ 98,110</u>	<u>\$ 111,974</u>	<u>\$ 502,914</u>	<u>\$ 327,196</u>	<u>\$ 4,073</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued compensation	-	-	-	-	-	-
Deferred revenue	-	4,500	-	-	-	-
Due to other funds	-	-	-	19,490	-	-
Total liabilities	-	4,500	-	19,490	-	-
<b>FUND BALANCES</b>	<u>238,430</u>	<u>93,610</u>	<u>111,974</u>	<u>483,424</u>	<u>327,196</u>	<u>4,073</u>
Total liabilities and fund balances	<u>\$ 238,430</u>	<u>\$ 98,110</u>	<u>\$ 111,974</u>	<u>\$ 502,914</u>	<u>\$ 327,196</u>	<u>\$ 4,073</u>

**MENARD COUNTY, ILLINOIS**

**COMBINING BALANCE SHEET**

**NONMAJOR GOVERNMENTAL FUNDS**

**NOVEMBER 30, 2011**

	Court Services Fund	Court Fund	D.U.I. Equipment Fund	County G.I.S. Fund	State's Attorney Drug Forfeiture Fund	Emergency Relief Fund
<b>ASSETS</b>						
Cash and certificates of deposit	\$ 74,116	\$ 60,456	\$ 8,004	\$ 113,436	\$ 1,079	\$ 18,239
Investments	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-
Taxes receivables	-	-	-	-	-	-
Due from other funds	1,940	795	-	5,083	-	-
<b>Total assets</b>	<b>\$ 76,056</b>	<b>\$ 61,251</b>	<b>\$ 8,004</b>	<b>\$ 118,519</b>	<b>\$ 1,079</b>	<b>\$ 18,239</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ 2,500	\$ -	\$ -
Accrued compensation	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	2,000
Due to other funds	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,500</b>	<b>-</b>	<b>2,000</b>
<b>FUND BALANCES</b>	<b>76,056</b>	<b>61,251</b>	<b>8,004</b>	<b>116,019</b>	<b>1,079</b>	<b>16,239</b>
<b>Total liabilities and fund balances</b>	<b>\$ 76,056</b>	<b>\$ 61,251</b>	<b>\$ 8,004</b>	<b>\$ 118,519</b>	<b>\$ 1,079</b>	<b>\$ 18,239</b>

MENARD COUNTY, ILLINOIS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

NOVEMBER 30, 2011

	Public Land Dedication Fees Fund	Tourism Promotion Fund	Drug Traffic Prevention Fund	Circuit Clerk Operation and Administration Fund	Sheriff Vehicle Fund	Totals
<b>ASSETS</b>						
Cash and certificates of deposit	\$ 1,560	\$ 9,849	\$ 3,812	\$ 3,894	\$ -	\$ 2,264,744
Investments	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	59,831
Taxes receivables	-	2,535	-	-	-	2,535
Due from other funds	-	-	-	88	180	55,059
Total assets	\$ 1,560	\$ 12,384	\$ 3,812	\$ 3,982	\$ 180	\$ 2,382,169
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 103	\$ 88,875
Accrued compensation	-	-	-	-	-	3,500
Deferred revenue	-	-	-	-	-	24,000
Due to other funds	-	-	-	-	-	24,570
Total liabilities	-	-	-	-	103	140,945
<b>FUND BALANCES</b>	<b>1,560</b>	<b>12,384</b>	<b>3,812</b>	<b>3,982</b>	<b>77</b>	<b>2,241,224</b>
Total liabilities and fund balances	\$ 1,560	\$ 12,384	\$ 3,812	\$ 3,982	\$ 180	\$ 2,382,169

MENARD COUNTY, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED NOVEMBER 30, 2011

	Retirement and Fica Fund	Tuberculosis Fund	Animal Control Fund	County Farm Fund	General Assistance Fund	County Fair Fund	County Clerk Document Storage System Fund	Tax Sale Automation Fund	County Elections Fund	Court Automation Fund
REVENUES										
Property taxes	\$ 539,464	\$ 8,046	\$ -	\$ -	\$ 42,064	\$ 35,168	\$ -	\$ -	\$ -	\$ -
Mobile home privilege tax	419	6	-	-	33	27	-	-	-	-
Other taxes	2,439	36	-	-	190	159	-	-	-	-
Personal property replacement tax	25,085	-	-	-	-	-	-	-	-	-
Fines, fees, forfeitures and licenses	-	-	-	-	-	-	20,552	2,765	-	7,247
Federal and State payments	-	-	-	-	-	-	-	-	8,881	-
Charges for services	-	-	36,669	57,960	146	-	-	-	-	-
Other	-	-	396	-	30	-	-	-	-	-
Interest	-	69	-	-	-	-	-	-	-	-
Total revenues	567,407	8,157	37,065	57,960	42,463	35,354	20,552	2,765	8,881	7,247
EXPENDITURES										
Current:										
General government	-	-	-	-	-	-	13,308	1,123	36,872	-
Public safety	-	-	101,269	-	-	-	-	-	-	-
Roads and bridges	-	-	-	-	-	-	-	-	-	-
Public health	-	18,387	-	-	-	-	-	-	-	-
Judiciary and court	-	-	-	-	-	-	-	-	-	4,623
County development	-	-	-	-	-	34,500	-	-	-	-
Liability and insurance	-	-	-	-	-	-	-	-	-	-
Retirement and FICA	594,997	-	-	-	-	-	-	-	-	-
Public welfare	-	-	-	-	30,123	-	-	-	-	-
Debt Service:										
Principal retirement	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
Capital outlay:	-	-	-	-	-	-	-	-	-	-
Total expenditures	594,997	18,387	101,269	-	30,123	34,500	13,308	1,123	36,872	4,623
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(27,590)	(10,230)	(64,204)	57,960	12,340	854	7,244	1,642	(27,991)	2,624
OTHER FINANCING SOURCES (USES)										
Operating transfers in	-	-	59,044	-	-	-	-	-	60,000	-
Operating transfers out	-	-	-	(80,000)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	59,044	(80,000)	-	-	-	-	60,000	-
EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(27,590)	(10,230)	(5,160)	(22,040)	12,340	854	7,244	1,642	32,009	2,624
FUND BALANCE - BEGINNING	230,633	42,095	7,521	32,076	110,755	(150)	82,769	5,361	91,414	47,833
Prior period adjustment	-	-	-	-	-	-	-	-	-	-
Residual equity transfer	-	-	-	-	-	-	-	-	-	-
FUND BALANCE - ENDING	203,043	31,865	2,361	10,036	123,095	704	90,013	7,003	123,423	50,457

MENARD COUNTY, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED NOVEMBER 30, 2011

	Cooperative Extension Service Fund	Senior Transport Fund	Building Improvement Fund	Document Storage System Fund	Probation Services Fund	County Bridge Fund	Federal Aid Matching Fund	Road Repair and Maintenance Fund	Court Services Fund	Court Fund
REVENUES										
Property taxes	\$ 26,663	\$ -	\$ -	\$ -	\$ -	\$ 114,926	\$ 114,926	\$ -	\$ -	\$ -
Mobile home privilege tax	20	-	-	-	-	89	89	-	-	-
Other taxes	121	-	-	-	-	520	520	-	-	-
Personal property replacement tax	-	-	-	-	-	-	-	-	-	-
Fines, fees, forfeitures and licenses	-	-	-	4,311	35,561	-	-	-	24,706	10,235
Federal and State payments	-	15,222	-	7,167	-	22,479	189,638	-	-	-
Charges for services	-	9,088	-	-	-	3,720	-	-	-	-
Other	-	23,016	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total revenues	26,804	47,326	-	11,478	35,561	141,734	305,173	115,535	24,706	10,235
EXPENDITURES										
Current:										
General government	-	-	7,383	-	-	-	-	-	-	-
Public safety	-	-	10,450	-	-	-	-	-	-	-
Roads and bridges	-	-	-	-	-	140,010	75,327	131,748	-	-
Public health	-	-	-	-	-	-	-	-	-	-
Judiciary and court	-	-	-	5,694	19,162	-	-	-	38,775	-
County development	29,289	-	-	-	-	-	-	-	-	-
Liability and insurance	-	-	-	-	-	-	-	-	-	-
Retirement and FICA	-	-	-	-	-	-	-	-	-	-
Public welfare	-	36,776	-	-	-	-	-	-	-	-
Debt Service:										
Principal retirement	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
Capital outlay:	-	-	180,410	-	4,858	-	40,000	-	-	-
Total expenditures	29,289	36,776	198,243	5,694	24,020	140,010	115,327	131,748	38,775	-
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(2,485)	10,550	(198,243)	5,784	11,541	1,724	189,846	(16,213)	(14,069)	10,235
OTHER FINANCING SOURCES (USES)										
Operating transfers in	-	-	260,000	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	(7,500)	-	-	-	-	(60,000)
Total other financing sources (uses)	-	-	260,000	-	(7,500)	-	-	-	-	(60,000)
EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,485)	10,550	61,757	5,784	4,041	1,724	189,846	(16,213)	(14,069)	(49,765)
FUND BALANCE - BEGINNING	26,789	5,200	176,673	87,826	107,933	481,700	137,350	20,286	90,125	111,016
Prior period adjustment	-	-	-	-	-	-	-	-	-	-
Residual equity transfer	-	-	-	-	-	-	-	-	-	-
FUND BALANCE - ENDING	24,304	15,750	238,430	93,610	111,974	483,424	327,196	4,073	76,056	61,251

MENARD COUNTY, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED NOVEMBER 30, 2011  
State's

	D.U.I. Equipment Fund	County G.I.S. Fund	County Attorney Drug Forfeiture Fund	Emergency Relief Fund	Public Land Dedication Fees Fund	Tourism Promotion Fund	Drug Traffic Prevention Fund	Circuit Clerk Operation and Administration Fund	Sheriff Vehicle Fund
REVENUES									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mobile home privilege tax	-	-	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	13,182	-	-	-
Personal property replacement tax	-	-	-	-	-	-	-	-	-
Fines, fees, forfeitures and licenses	3,239	50,898	-	-	-	-	100	1,660	2,551
Federal and State payments	-	-	-	737	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Other	-	-	-	6,239	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total revenues	3,239	50,898	-	6,976	-	13,182	100	1,660	2,551
EXPENDITURES									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	700	-	-
Roads and bridges	-	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-
Judiciary and court	-	-	-	-	-	-	-	-	-
County development	-	12,000	-	-	-	11,260	-	-	-
Liability and insurance	-	-	-	-	-	-	-	-	-
Retirement and FICA	-	-	-	-	-	-	-	-	-
Public welfare	-	-	-	7,001	-	-	-	-	-
Debt Service:									
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital outlay:	-	-	-	-	-	-	-	-	-
Total expenditures	-	12,000	-	7,001	-	11,260	700	-	-
EXCESS REVENUES OVER (UNDER)	3,239	38,898	-	(25)	-	1,922	(600)	1,660	2,551
EXPENDITURES									
OTHER FINANCING SOURCES (USES)									
Operating transfers in	-	-	-	-	-	-	-	-	-
Operating transfers out	(20,000)	-	-	-	-	-	-	(1,400)	(5,000)
Total other financing sources (uses)	(20,000)	-	-	-	-	-	-	(1,400)	(5,000)
EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(16,761)	38,898	-	(25)	-	1,922	(600)	260	(2,449)
FUND BALANCE - BEGINNING	24,765	77,121	1,079	16,264	1,560	10,462	4,412	3,722	2,526
Prior period adjustment	-	-	-	-	-	-	-	-	-
Residual equity transfer	-	-	-	-	-	-	-	-	-
FUND BALANCE - ENDING	\$ 8,004	\$ 116,019	\$ 1,079	\$ 16,239	\$ 1,560	\$ 12,384	\$ 3,812	\$ 3,982	\$ 77

MENARD COUNTY, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED NOVEMBER 30, 2011

	Totals
<b>REVENUES</b>	
Property taxes	\$ 996,183
Mobile home privilege tax	772
Other taxes	17,687
Personal property replacement tax	25,085
Fines, fees, forfeitures and licenses	163,825
Federal and State payments	244,124
Charges for services	107,583
Other	29,681
Interest	69
Total revenues	<u>1,585,009</u>
<b>EXPENDITURES</b>	
Current:	
General government	58,686
Public safety	112,419
Roads and bridges	347,085
Public health	18,387
Judiciary and court	68,254
County development	87,049
Liability and insurance	-
Retirement and FICA	594,997
Public welfare	73,900
Debt Service:	
Principal retirement	-
Interest and fiscal charges	-
Capital outlay:	225,268
Total expenditures	<u>1,586,045</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>(1,036)</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Operating transfers in	379,044
Operating transfers out	<u>(173,900)</u>
Total other financing sources (uses)	<u>205,144</u>
EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>204,108</u>
FUND BALANCE - BEGINNING	2,037,116
Prior period adjustment	-
Residual equity transfer	-
FUND BALANCE - ENDING	<u>\$ 2,241,224</u>



## **FIDUCIARY FUNDS**

### **PRIVATE-PURPOSE TRUST FUNDS**

#### **Law Library Fund**

To account for the revenues derived from the "law library" fee and the payment of expenses incurred in establishing and maintaining a law library. The money available in the fund may not be appropriated by the County Board but is disbursed on order of the Chief Circuit Judge. The fees are collected by the Circuit Clerk and paid into the Law Library Fund.

#### **Indemnity Fund**

To account for indemnity fees paid to the County Collector derived from tax sales; the fund is to accumulate until it reaches .03% of the assessed valuation or \$50,000, whichever is greater. The purpose of the fund is to indemnify the Treasurer for judgments against the Treasurer arising from tax sales.

#### **Child Advocacy Center Fund**

To account for monies collected for the purpose of establishing and maintaining a Children's Advocacy Center to coordinate the investigation, prosecution, and treatment referral of child abuse.

#### **Sheriff's Drug Forfeiture Fund**

To account for proceeds from forfeitures received by the fund and used by the County Sheriff for certain investigative and training expenditures.

#### **Tax Sale in Error Interest Payment Fund**

To account for certain fees collected during the tax sale process by the County Collector and the expenditure of those funds for court ordered payments.

#### **Road Districts Truck Fund**

To account for certain pooled resources of the County's road districts for the purpose of maintaining certain roads in the County.

## **AGENCY FUNDS**

### **Circuit Clerk's Fund**

**Functions as a clearing account for the operations of the Office of the Circuit Clerk. Clerk's fees, fines and bail bond deposits and other deposits are received by the fund and retained until proper disposition of the funds is determined. Fees earned are remitted to the General Fund.**

**Accounts for the collection and distribution of court-ordered child support and alimony payments.**

### **County Clerk's Fund**

**Functions as a clearing account for the operation of the Office of the County Clerk. Fees earned are remitted to the General Fund.**

### **County Sheriff's Fund**

**Functions as a clearing account for the operations of the Office of the County Sheriff Fees earned are remitted to the General Fund.**

### **State's Attorney's Fund**

**Functions as a clearing account for the operations of the Office of the State's Attorney. Fees earned are remitted to the General Fund.**

### **County Collector's General Tax Fund**

**To account for the collection and distribution of property taxes to the various taxing districts inside and outside of the County.**

### **County Collector's Mobile Home Privilege Tax Fund**

**To account for the collection and distribution of mobile home privilege tax to the various taxing districts of the County.**

### **Township Bridge Program Fund**

**To account for the collection of State allotments to road districts for bridge construction projects in the County.**

### **Township Motor Fuel Tax Fund**

**To account for the collection and distribution of State motor fuel tax allotments for the road districts of the County.**

**AGENCY FUNDS - continued**

**Inheritance Tax Fund**

**To account for collections of State inheritance taxes assessed and their remittance to the State Treasurer.**

**Payroll Clearing Funds**

**To account for the payment of salaries and wages of County employees, and the related payroll taxes and certain employee benefits.**

**Inmates Fund**

**To account for commissary transactions at the County jail and other amounts credited to the benefit of County jail inmates.**

MENARD COUNTY, ILLINOIS

COMBINING STATEMENT OF  
FIDUCIARY NET ASSETS

NOVEMBER 30, 2011

	Private-Purpose Trust Funds						Totals
	Law Library Fund	Indemnity Fund	Child Advocacy Center Fund	Sheriff's Drug Forfeiture Fund	Tax sale in Error Interest Payment Fund	Road Districts Truck Fund	
ASSETS							
Cash	\$ 3,071	\$ 90,126	\$ 2,086	\$ -	\$ 10,294	\$ 97,261	\$ 202,838
Receivables	-	50	-	-	-	5,874	5,924
Due from other funds	475	-	-	-	-	-	475
Capital assets, net	-	-	-	-	-	71,568	71,568
Total assets	3,546	90,176	2,086	-	10,294	174,703	280,805
LIABILITIES							
Accounts payable	-	-	-	-	-	1,000	1,000
Total liabilities	-	-	-	-	-	1,000	1,000
NET ASSETS							
Held in trust for -							
Individuals, organizations, and other governments	\$ 3,546	\$ 90,176	\$ 2,086	\$ -	\$ 10,294	\$ 173,703	\$ 279,805

MENARD COUNTY, ILLINOIS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

FOR THE YEAR ENDED NOVEMBER 30, 2011

	Private-Purpose Trust Funds						
	Law Library Fund	Indemnity Fund	Child Advocacy Center Fund	Sheriff's Drug Forfeiture Fund	Tax Sale in Error Interest Payment Fund	Road Districts Truck Fund	Totals
ADDITIONS							
Fines, fees, and forfeitures	\$ 4,257	\$ 3,840	\$ -	\$ -	\$ 1,470	\$ -	\$ 9,567
Charges for services	-	-	-	-	-	66,851	66,851
Contributions	-	-	-	-	-	-	-
Other	-	-	-	-	-	2,816	2,816
Interest	-	394	3	-	23	105	525
Total additions	4,257	4,234	3	-	1,493	69,772	79,759
DEDUCTIONS							
Costs of maintaining County law library	4,069	-	-	-	-	-	4,069
Investigations and training	-	-	-	-	-	-	-
Operating expenses	-	-	-	-	-	28,021	28,021
Depreciation	-	-	-	-	-	19,295	19,295
Total deductions	4,069	-	-	-	-	47,316	51,385
Change in net assets	188	4,234	3	-	1,493	22,456	28,374
NET ASSETS-BEGINNING	3,358	85,942	2,083	-	8,801	151,247	251,431
NET ASSETS-ENDING	\$ 3,546	\$ 90,176	\$ 2,086	\$ -	\$ 10,294	\$ 173,703	\$ 279,805

MENARD COUNTY, ILLINOIS

COMBINING STATEMENT OF ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE YEAR ENDED AT NOVEMBER 30, 2011

	Circuit Clerk's Fund	County Clerk's Fund	County Sheriff's Fund	State's Attorney's Fund	County Collector's General Tax Fund	County Collector's Mobile Home Tax Fund	Township Bridge Program Fund	Township Motor Fuel Tax Fund
ASSETS								
Cash	\$ 86,050	\$ 55,482	\$ 121	\$ 261	\$ 141	\$ -	\$ 114,103	\$ 330,308
Receivables	-	-	31	-	-	-	-	45,472
Due from others	-	-	-	-	-	-	-	-
Due from other funds	-	-	907	390	-	-	10,000	-
Other	-	70,000	-	-	-	-	-	-
Total assets	\$ 86,050	\$ 125,482	\$ 1,059	\$ 651	\$ 141	\$ -	\$ 124,103	\$ 375,780
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ 31	\$ -	\$ -	\$ -	\$ 9,767	\$ -
Due to road districts	-	-	-	-	-	-	114,336	343,020
Due to taxing districts	-	-	-	-	141	-	-	-
Due to others	62,014	92,615	-	261	-	-	-	-
Due to other funds	24,036	32,867	1,028	390	-	-	-	32,760
Total liabilities	\$ 86,050	\$ 125,482	\$ 1,059	\$ 651	\$ 141	\$ -	\$ 124,103	\$ 375,780

MENARD COUNTY, ILLINOIS

COMBINING STATEMENT OF ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE YEAR ENDED AT NOVEMBER 30, 2011

	ASSETS			LIABILITIES		
	Inheritance Tax Fund	Payroll Clearing Funds	Inmates' Fund	Totals		
Cash	\$ -	\$ 66,148	\$ 11,214	\$ 663,828		
Receivables	-	-	-	45,503		
Due from others	-	-	-	-		
Due from other funds	-	-	-	11,297		
Other	-	-	-	70,000		
Total assets	\$ -	\$ 66,148	\$ 11,214	\$ 790,628		
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ 9,798		
Due to road districts	-	-	-	457,356		
Due to taxing districts	-	-	-	141		
Due to others	-	66,148	11,214	232,252		
Due to other funds	-	-	-	91,081		
Total liabilities	\$ -	\$ 66,148	\$ 11,214	\$ 790,628		